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OVERSEAS MOVING BY MICHAEL GERSON

WORLD NEWS

Passport staff join strike action

Work at Britain's six main passport offices was severely disrupted by a strike by clerical staff in support of colleagues in Liverpool who started an indefinite strike on Tuesday over staffing levels.

The Civil and Public Services Association, which claimed strong support for the stoppage, wanted to further restrict staff unless the Home Office agrees to substantial increases in staffing levels.

Transport strike call: Unions representing staff on London Underground, London Buses and British Rail threatened strikes over the next three weeks.

Teachers attack Baker: Head teachers made a fierce attack on Education Secretary Kenneth Baker at their annual conference.

IRA man freed from gaol: IRA man Gerard Kelly was released from the top-security Maze Prison, Belfast, after serving 10 years for his part in the 1982-83 hunger strike.

BBC dispute unresolved: Broadcasting unions and the BBC failed to resolve their dispute over a 1989 pay increase.

Hospitals may opt-out: More than 150 hospitals have expressed an interest in becoming self-governing under proposals for reforming the NHS.

Communist attacked: Hungarian reformer Imre Pozsgay attacked the Romanian communist leader Nicolae Ceausescu as an arrogant and inhumane man.

Mappe Mundi issue falls: A share issue aimed at saving the Mappe Mundi, Hereford Cathedral's medieval art treasure, collapsed with just £1m worth of applications at the close of the offer.

Highland phone network: The Highlands and Islands of Scotland will get an all-digital telecommunications network by 1992.

Uno is new Japanese PM: Japanese Foreign Minister Souke Uno, 66, succeeded Noboru Takeshita as Prime Minister, ending a month-long succession quest by the scandal-ridden ruling Liberal Democratic Party.

Dog curbs ruled out: Environment Secretary Nicholas Ridley ruled out the introduction of a national dog register as a means to control the ownership of dangerous breeds.

BUSINESS SUMMARY

Employment growth in US slows further

US EMPLOYMENT growth slowed further in May, the Department of Labour announced. Overtime and average working hours fell, and hourly pay advanced only 0.1 per cent.

AUSTRALIAN Mutual Provident Society raised its shareholding in Pearl Group, the home service life insurer, from 4.5 per cent to 18 per cent at a cost of just under £100m.

DAF, the Dutch truck maker which is 40 per cent owned by Rover of the UK, said its international share issue had been heavily oversubscribed.

KOOR Industries: Bankers Trust of New York withdrew a court application to wind up Israel's biggest company when Koor's leading creditors signed a debt repayment and recovery plan for the group.

THE TREASURY moved to stem a drop in gilt-edged bond prices by denying a Financial Times report that it was reconsidering the way it funds the public sector borrowing requirement.

TRAFFIC congestion costs companies millions of pounds a year, according to the Confederation of British Industry. It says an extra £1bn needs to be spent on roads in the south of England.

FOOTWEAR manufacturing output fell to £26.3m in March, a fall of 5 per cent compared with the same month last year. The industry has faced increased international competition since 1987.

WEMBLEY, leisure and property group, has made an agreed £22m bid for Juliana's Holdings, the hospitality and disco company.

HENDERSON Administration, fund management group, announced pre-tax profits for the year to end-March of £12.4m, down from £22.4m.

ASEA Brown Boveri, Swedish-Swiss electrical engineering group, is to establish, with Westinghouse of the US, a company to service light-water reactors in Europe.

HUNGARY'S parliament broke new ground by accepting savage budget cuts which Prime Minister Miklos Nemeth said were needed to regain support from the International Monetary Fund for a new credit agreement.



UK reserves fall as Bank intervenes to support pound

THE POUND paused for breath yesterday after a hectic week in which Mr Nigel Lawson, the Chancellor, was forced to deny there was a sterling crisis and worries intensified in the City about divisions within the Government.

On the Bank of England's track-weighted index, the pound closed 0.1 points higher at 92.5 but down 0.9 points on the week.

haunted by what was widely perceived to be a lack of clear direction over the Government's monetary and exchange rate policy.

index ended down 0.8 points at 2,102.6, having closed lower every day this week.

was much less than expected by City analysts, prompting speculation that the Bank had bought pounds on forward markets, disguising the scale of its activities.

Uproar as Sakharov criticises Soviet army

By Quentin Peel in Moscow

THE PENT-UP frustration of the conservative majority in the Soviet Union's new Congress of Deputies boiled over yesterday as Dr Andrei Sakharov, the most distinguished dissident in the assembly, was howled down for daring to accuse Soviet troops of atrocities in Afghanistan.

Mr Ryzhkov yesterday criticised that he was the party's spokesman, he said the plenum might well hear a further defence from Mr Yegor Ligachev against charges of involvement in corruption and incompetence in his position of agriculture policy chief.

three most emotive words for those party traditionalists fearful of reform. "This country is the birthplace of Communism."

Peking students turn back troops

By Robert Thomson and Peter Ellingsen in Peking

THOUSANDS of troops marched into the centre of Peking last night as the Chinese Government appeared finally to be moving against the protesting students holding out in Tiananmen square.

reassert its control after weeks of turmoil. Over the past week Li Peng, the prime minister, and Deng Xiaoping, China's paramount leader, have gained the upper hand in the power struggle with the country's reformers.

Abbey National warns it may have to delay market flotation

By David Barchard

ABBNEY NATIONAL, the second largest UK building society, is being forced to consider a change of date for the stock market flotation it planned for mid-July.

showed that an overwhelming number of Abbey National members approved of the conversion plans.

put off the flotation till September because so much momentum has built up already.

A later date may become necessary because the Building Societies Commission, the industry's regulatory watchdog, is taking longer than expected to authorise Abbey National's conversion from building society into a bank after a formal hearing two weeks ago.

This would have enabled Abbey National to announce a price for its shares and to issue share applications to members in the middle of this month.

A September date would put Abbey National's flotation very close to the scheduled date for privatisation of water companies.

Mr Fry said: "If I don't know by the end of Monday that we have the go-ahead, I shall have to ask my professional advisers to consider other options."

However, it now seems there will be insufficient time to permit a share price announcement by mid-June.

The offer price, originally expected to be over 160p, seems likely to be closer to 150p if a July flotation takes place.

MARKETS table with columns for Sterling, Dollar, Stock Indices, and other financial data.

CONTENTS table listing various sections like County NatWest and the Blue Arrow affair, Prime Minister Souke Uno of Japan, etc.

Advertisement for NM Unit Trust Managers Ltd. featuring a large 'M' logo and text about building income on firm foundations.

Weekend FT



A NEW DYNASTY FROM TEXAS: Peter Riddell reports on how George Bush and his Texas mafia made it all the way from Houston to the White House.

Finance: Sara Webb looks at the best deals - and the pitfalls - of buying and selling your holiday money.

Diversions: Lucia van der Post on hats to turn heads. Plus: A new series on walks through history.

Property: Overseas property: A made-to-measure mountain village, buying in France and the rebirth of the Algarve.

Arts: Michael Coveney reviews Dustin Hoffman as Shylock.

Sport: Michael Thompson-Noel previews the Derby.

OVERSEAS NEWS

Congress is the best show in town

Quentin Peel on a talk-shop which is astounding Soviet citizens

LIFE has not been normal in the Soviet Union these past eight days. One newly-elected member of the Congress of People's Deputies, Mr Mikhail Gorbachev's new super-parliament, compared it to a national strike.

the all-powerful KGB, the Soviet secret service. "When he said that the KGB should leave the Lubyanka (its huge headquarters on Dzerzhinsky Square) it was the most moving moment of my life," the writer's wife said. "My father died in that basement."

Electoral arithmetic favours Communists

By Christopher Bobinski in Warsaw

POLES tomorrow will elect representatives to two parliamentary houses, the Sejm and the Senate, under a complicated system agreed at the round-table talks between Solidarity and the Communist regime earlier this year.

Why Solidarity fears a landslide at the polls

Lech Walesa and his fellow moderates see dangers in a big victory, reports Christopher Bobinski

POLAND'S elections tomorrow are the freest the country will have seen for more than 40 years and look set to signal a big vote of no confidence in the Communists, who have been in power since 1944.



Lech Walesa campaigning for Solidarity candidates this week, but he has put in a word for his opponents too.

The vital question in the election, which will be more of a plebiscite than a clash of policy options between Solidarity and the authorities, is not whether there is an anti-government tide being swung it will be and how it will affect the country's future.

Tomorrow, Poles will be choosing 100 members of a new body, the Senate, under an entirely free ballot where Solidarity is expected to take at least 75 per cent of the seats. In the Sejm, where 85 per cent of the 450 seats have been allocated to the Communist Party and its allies under the round-table agreement, Solidarity is competing for the remaining 151 seats and is expected to take at least 80 per cent of them.

Marjan Starowicz Siedlce, for the Senate, to Mr Janusz Kurwin Mikke, standing in Wrocław for the free market Solidarity Union, a small group of voters who want to see the party which honestly wants to bring back capitalism.

Gen Jaruzelski to visit Britain

Polish Communist Party leader General Wojciech Jaruzelski will make an official trip to Britain June 10-11, the official news agency PAP announced yesterday, Reuters reports from Warsaw.

Hungary cuts budget to win IMF support

HUNGARY'S parliament broke new ground yesterday by accepting severe budget cuts which Mr Miklos Nemesi, the Prime Minister, said were needed to get support from the International Monetary Fund for a new credit agreement, Reuters reports from Budapest.

It is the first time the communist authorities have called for cuts in a budget already in operation.

The government's hand was forced after the IMF suspended payment of the fifth tranche of a \$500m standby credit because Hungary had failed to meet budget and current account targets in the first quarter of this year.

Ulster's steamroller bemuses the Limerick natives

Kieran Cooke reports on one of the more unusual cross-border candidates

EUROPEAN ELECTIONS

Constituency profile

IN a country which places great value on local connections and family ties, Mr John Cusnahan is a most unusual politician.

The public health service is seriously short of funds and staff. Mr Cusnahan tries to emphasise European matters.

Deputies agreed to cut projected spending for 1989 by 360m forints (\$360m) and increase revenue by 5m forints (\$50m). Plans agreed in December foresaw a budget deficit of 19,500 forints (\$195m) and a hard currency current account deficit of \$400m. But the budget deficit had overshoot to 29bn forints by March 31 and the current account deficit to \$700m at the end of April.

Mr Cusnahan is now standing in the European elections for Fine Gael, the main opposition party in the Republic of Ireland, in the constituency of Munster in the far south. He is the first Ulster politician to have crossed the border to further his political career.

Mr Cusnahan, nicknamed "The Steamroller" in Northern Ireland due to his forceful approach to many issues, parties and causes. The extended vowels of Ulster dialect with the singsong local lilt.

Mr Cusnahan believes it is vital that Ireland joins the mainstream of Europe. "The country cannot just sit on the periphery. Its economy will be integrated with Europe. It should also import some of the ideas of Europe. Old rivalries and bitterness should be finally forgotten. That would do us a world of good to solve the problems of this island."

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Japanese foreign investment soars

By Stefan Wagstyl in Tokyo

JAPANESE direct investment in foreign countries soared by 41 per cent in the year to the end of March to \$47bn, as Japanese companies poured money overseas to diversify, cut costs, and ease trade friction.

Tougher action urged to combat arrears to IMF, World Bank

By Stephen Fidler, Euromarkets Correspondent, in Bern

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By Gary Mead in Buenos Aires

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Bulgarian Turks cross border

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OVERSEAS NEWS

Romans help to solve Peking's traffic problems

UNTIL now, neither the world nor Italian themselves would have put the solving of urban traffic problems on any list of the nation's skills. But nothing is impossible in Italy, least of all the fact that a Rome-based company, Auselda, is poised to provide an electronic aid to overcome the difficulties encountered by public buses trying to circulate around the Chinese capital, Peking.

It is only in recent weeks that student barricades have

Italy, too, could take a leaf out of Peking's book, reports John Wyles

added to the traffic headaches daily suffered by Xi Guang Di, director of Peking's transport company. The recent disturbances halted all the capital's 4,100 public buses for two full days, but Xi happily reported in Rome yesterday that when he left the Chinese capital a week ago, services had been restored on 189 out of 172 routes.

He and three colleagues have been examining public transport in a number of Italian cities as a final prelude to deciding on whether to go ahead with a project planned by Auselda which would install a television monitoring and electronic traffic management system for Peking's public buses. Xi would almost certainly

have concluded that Rome and Milan ought to be well ahead of his authority in the quest for Auselda's services, but he was far too polite to say so.

Instead, he implied that the Italians could take a leaf out of Peking's book and discourage the use of private transport. There are only 200,000 vehicles on the streets of the Chinese capital and 7.2m bicycles, but it seems that both frequently conspire to clog no less than 40 of the city's main intersections. Auselda's project would give traffic managers advance warning of bottlenecks and passengers detailed information about which bus services are running more freely than others.

Half of the L4m-5m (£1.7m-£2.1m) cost of the project would be funded by the European Community, which is separately sponsoring an ambitious urban traffic control project, Europolis, in which Auselda is involved with three other European countries.

After meeting the Roman transport authority, Xi must have been struck by the contrasting economies of the two capitals' systems. Rome apparently needs a government subsidy to cover 68 per cent of its operating costs and Peking only 85 per cent. A monthly bus ticket in Peking costs around L1,200 and in Rome L23,000.

But it surely is too improbable to expect Rome to import Chinese transport managers.

Darker side of Sweden's welfare state on trial

Many fear the Palme murder trial will merely be part of a never-ending drama, Robert Taylor writes

ON Monday morning, under the strictest security, Mr Christer Petersson, a 42-year-old dropout with a criminal record, will appear in the Stockholm High Court charged with the murder of Mr Olof Palme, the Swedish Prime Minister, who was gunned down in the street on his way home with his wife from the cinema on February 28, 1986.

Many Swedes hope that the trial can provide the end to a confusing and bizarre mystery but others fear it will merely be a further episode in a never-ending melodrama that continues to excite the Swedish media. Even Mr Petersson's conviction - a debatable question - is unlikely to lay to rest the doubts and suspicions aroused by Mr Palme's death.

The spectre of the assassination continues to haunt the country. In the frantic search for the killer, the Swedes have been treated to a series of highly public events which have often degenerated into French farce. The country's police force has often looked at best incompetent, at worst culpable. The public investigators have displayed an alarming readiness to resort to illegal acts such as unauthorised telephone tapping and smuggling weapons into the country.

The ruling Social Democrats, so often regarded abroad as a model of competence, have displayed naivety and amateurism in their handling of the affair. Just over a year ago Mrs Anna-Greta Leijon, the Justice Minister, was forced to resign after the revelation that an author had been carrying on a free-lance investigation on her behalf into the murder.

Above all, S4po, the state intelligence service, has become the subject of festering suspicion. It has even been suggested that the so-called Black Rose, a right-wing group in their midst, was responsible for the assassination on the grounds that they believed Mr Palme to be a Soviet agent.

secret service of Saddam Hussein's Iraq. A number of suspected terrorist units were also paraded through the media - a Croatian group, the Red Army faction in West Germany, and above all an obscure Marxist-Leninist party called the Kurdish Workers party - the PKK - who were the prime suspects for Mr Hans Holmner, who headed the murder inquiry for the first 11 months.

No doubt, there are those who will believe that Mr Petersson if he is convicted is no more than the convenient scapegoat for the assassination, a social outcast whose violent life has been spent in a twilight world of crime, alcohol and drugs. Just as the Nazis pinned the burning of the Reichstag on a demented Dutchman, so the Swedish authorities, desperate to solve the murder mystery, may be over-eager to blame a deviant from their own country with a proven record of violence.

In the immediate aftermath of the assassination, many commentators reflected that the Swedes had somehow lost their innocence, that their affluent, comfortable and rather complacent way of life could no longer be taken for granted. Yet Sweden remains a haven of stability in a violent world. It is true that occasional

East between the Palestine Liberation Organisation and Israel. It is still possible to see leading politicians walking alone in the street, eating in restaurants unprotected, and generally behaving like normal human beings. The trauma of Mr Palme's end has failed to turn Sweden into a paranoid society.

But at the same time, the often farcical search for his killer has exposed in a cruel and lurid light the inner workings of the Swedish state. As is the way in Sweden, inquiries and reports are the stuff of life and the spate of studies carried out over the past three and a half years have cast genuine doubt on the commonsense and competence of the authorities. Until now most Swedes seemed to hold an almost childlike faith in the wisdom of those who rule over them. It would be an exaggeration to suggest the country is suffering from a crisis of confidence in its government as a result of what has happened. But the old traditional, rather touching trust of most Swedes in government has certainly been damaged by the exposure of some of their recent antics.

The trial itself seems very likely to provide further evidence of the Inspector Clausenau-like behaviour of the Stockholm police. In the 3,000

pages of testimony released last week on the Petersson case, it is suggested that leads connecting him to the murder had been overlooked and his alibi was known to have been flawed as long ago as 1986 but nobody had bothered to check it out more thoroughly at that time because of the single-minded obsession with the international terrorist theory.

The interrogation methods of the police are also being questioned, particularly their handling of Mrs Palme, who identified Mr Petersson from a video of an identity parade, not face to face, and in the absence of his defence lawyer. With no confession, the murder weapon undiscovered, and no obvious motive, the evidence against Mr Petersson remains circumstantial.

For many Swedes, the prospect that the alleged killer of their Prime Minister was not the agent of a foreign power or a hired gunman but a man who was born and shaped in their own country is deeply offensive. It throws a stain over the Swedish Model, revealing a darker side of the benevolent and prosperous welfare state that has been the envy of the world for over half a century. Indeed, it is more than the trial of one man that starts on Monday in the Stockholm High Court.



Olof Palme: mystery



Barcelona in row over Olympics hotels plan

By Peter Bruce in Barcelona

A ROW between Barcelona's Socialist municipality and the conservative Catalan Government over the city's plans to build 12 luxury hotels ahead of the 1992 Olympics here is threatening to leave Barcelona without enough accommodation for the thousands of visitors expected to the games.

The regional government has rejected all 12 sites chosen by the city council in April, arguing they would impose on semi-green zones or involve demolishing existing public facilities. Critics say the socialists may be vastly over-estimating the numbers who will travel privately to see the Olympics.

The council, the official Olympic host, wants hotel chains to build on the sites, mostly in or near the city centre, to accommodate 3,000 people. Officials say the hotels are not wanted just for the games, but to make up for a serious shortage of accommodation in Barcelona anyway.

government, which has just awarded the construction contract.

The hotels issue is proving much more intractable. "It is not true we need that many new hotels," said Mr Miguel Roca, secretary general of the Convergencia i Unio (CIU), the party in power in the provincial government. "Barcelona needs hotels but it also needs libraries and public facilities. The Barcelona council is deliberately trying to give the impression for its own purposes, that they are at war."

According to Mr Llop, the council has no intention of spending public money on new hotels, but simply wants to make the sites available to developers or hotel chains. "We have to offer the opportunity to build," he said, "though this does not mean that they will be built."

"If big groups had to look for space on their own in Barcelona they would not find it. Good pieces of land near roads or transport facilities just don't exist." The council says it has already been approached by a number of hotel chains interested in its scheme.

Others are more sceptical. Mr Roca says Barcelona is not a weekend retreat for foreigners or Spaniards and that given a chance, even the city's own inhabitants head for the surrounding country or beaches at weekends.

"Serious hotel chains are going to think very carefully about coming to Barcelona," says Mr Hodgkinson.

If not enough hotels are built, the city council faces a major embarrassment when the games begin. Socialists in Barcelona believe the CIU is trying to make life as difficult as possible for the council ahead of local elections in 1991 in the hope they will win control of the city and be in place to host the Olympics themselves.



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Iraq troops begin forcibly resettling 300,000 Kurds

By Edward Mortimer

IRAQ'S Baathist regime has this week begun a mass displacement and forcible resettlement of nearly 300,000 Kurds, according to usually reliable Kurdish exile sources.

Mr Bassoud Barzani, leader of the Kurdistan Democratic Party, said the population of the town of Qala Diza, in the north-eastern province of Sulaimaniya, started a general strike to resist the deportation order when government troops entered the town on Thursday. On the previous day, he said, the settlement of Iwasora, comprising 1,885 families, had been forcibly evacuated.

Mr Barzani described the region as being "in a state of tension", and expressed fears that the army would massacre the whole civilian population. His statement, issued in the name of the Iraqi Kurdistan Front (a body representing all the Kurdish opposition groups), confirmed and updated a statement by the Patriotic Union of Kurdistan (PUK) - the movement with

most support in the area concerned. The new displacement programme involved "the destruction of the remaining rural district towns in Kurdistan".

The wave of deportations is apparently part of a programme designed to prevent further Kurdish insurrections by thinning the population in the north-east and moving it to areas more susceptible to government control.

Mr Barzani said the affected people would be interned in camps and towns located outside traditional Kurdish areas in southern Iraq. The PUK statement said they had been given a choice of camps in Sulaimaniya and Arbil provinces (ie, within Kurdistan), but it believed this was only a temporary measure.

Both statements appealed to the international community to intervene. EC governments are expected next week to consider a report on the situation compiled by their ambassadors in Baghdad.

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UK NEWS

Treasury gives assurances to stem fall in gilt prices

By Simon Holberton, Economics Staff

THE TREASURY yesterday moved swiftly to stem a fall in gilt-edged bond prices by denying a *Financial Times* report that it funds the public-sector borrowing requirement.

The Treasury said the Government had no plans to change its methods or techniques of funding the PSBR and said that the Chancellor had not commissioned a review of policy.

Yesterday's *Financial Times* reported that the Treasury was studying City suggestions that it should alter its existing policy of buying in gilts only from holders other than banks and building societies. A consequence of such a change, which would mean that all gilt purchases by the Bank of England would go towards financing the PSBR, would be fewer purchases of gilts by the Bank in the market.

Officials had told the *Financial Times* that the Treasury was looking at funding policy

in light of the behaviour of banks and building societies that have been large sellers of gilts, but whose activities have made it difficult for the Bank to meet its target of fully funding the PSBR.

The officials also said the Government was looking at the way local authorities finance themselves. The activities of the local authorities, which borrow from the Treasury, have led to a build-up of cash in the money market.

The officials had said, however, that no change in the Government's fundamental policy was being contemplated. Prices for long-dated, gilt-edged stocks have been supported all year by the Bank, which has been a steady buyer in pursuit of Government policy.

This requires the Bank to buy gilts from the holders other than banks and building societies, in amounts equal to the Budget surplus and currency market intervention in support of sterling.

The Treasury's response to the report of an impending change to policy was greeted with some scepticism by the gilt market. Prices of long gilts fell 1/4 point in early trading, rallied briefly on the Treasury denial, then slipped further to close 1/2 point lower on the day, to give yields of around 10.25 per cent.

Mr Michael Hughes, head of economic and strategy at Barclays, said a lot of yesterday's fall in gilt prices had to do with the market not liking long-term interest rates being much lower than short-term interest rates. A suggestion that the Bank would no longer support the market fully was enough to provoke selling.

Mr Gavin Davies, senior UK economist at Goldman Sachs, said: "I think they may well change [the funding rule] but I do not think it matters much." He added that "the market does not know who is in charge" of economic policy.

Highlands phones will go digital by 1992

By James Buxton, Scottish Correspondent

PEOPLE in the Highlands and Islands of Scotland are to get an all-digital telecommunications network by 1992, considerably sooner than many other parts of Britain and several years earlier than had previously been intended, thanks in part to a government grant of \$4.9m.

The aim is not just to help businesses to develop in remote areas, but to make it possible for people attracted to the area by its scenery and lifestyle to support sophisticated work from home - a practice known as telecommuting.

Sir Robert Cowan, chairman of the Highlands and Islands Development Board, which is disbursing the grant, said yesterday: "Without doubt this is the most important single investment we have made in the economic future of the Highlands and Islands."

The improvements will give the northern part of Scotland a telecommunications system as sophisticated as that of a leading European city.

Under the project, the total cost of which is £16.35m, BT will make 49 larger telephone exchanges digital and install smaller digital exchanges in more than 200 other sites. It will make the telecommunications networks digital either through radio or optical-fibre cables.

Between the larger exchanges it will also install a link-up which allows speech, data, video and still images to be passed over telephone lines at high speed without the need for a modem (the device normally used to connect a computer to the telephone system).

BT is also to make access to its public data network available in the Highlands and Islands for the cost of a local call, instead of customers having to pay for long-distance calls to packet-switching exchanges.

BT spokesman said yesterday that without the government grant the improvements to the area's telecommunications system would not have been completed before the end of 1990.

The decision to install the system, which has been developed by BT in association with the HIDE, follows recommendations of a 1986 report commissioned by the HIDE and Ofel, the Government's telecommunications watchdog, which concluded that it was essential for the development of the area that data transmission, home banking, home shopping and other services become available as soon as possible.

Seven held over bank inquiry

SEVEN men have been arrested by police investigating an attempted \$51m fraud on the Hill Samuel merchant bank in the City.

Two of the men have been held since Thursday in Manchester and another five in the City of London by detectives from the City of London company fraud department, backed by regional crime squad officers.



Members of the Rose Theatre Campaign maintain their vigil at the historic site of the Elizabethan theatre

Two cheers only for latest Rose plan

By Paul Cheeswright, Property Correspondent

IMRY Merchant Developers' plans to preserve and display the remains of the Shakespearean Rose Theatre yesterday won little support, but failed to allay fears of the mixed group of actors, politicians and scholars who have formed the Rose Theatre Campaign.

The office building intended for the site has been redesigned so that the theatre remains will be in a hall and visible from three sides.

Beams will be placed on piles situated outside the theatre boundary and girders, weighing 60 tonnes, will support a 10-storey office building 22 ft above the remains.

The Rose Theatre remains were discovered last March by archaeologists during a survey of the site before the development of a new office complex by Imry and funded by Postel, the investment managers of the Post Office and British Telecom pension funds.

The discovery set off a vigorous campaign to make certain that the remains, on the south side of the Thames close to Southwark Bridge, would be preserved and made accessible to the public.

After the full significance of the archaeological find - one of four Elizabethan theatres in the Southwark district - was appreciated, there was never any danger that the theatre remains would be destroyed. The question was how they would be preserved.

A vigil has been kept at the site. Lunarnames of the theatre, including Dame Peggy Ashcroft and James Fox, have been in attendance.

The Rose Theatre Campaign blossomed with vague plans to obtain control of the site. Petitions have run high. Petitions have circulated. The old arguments about commercial development taking priority over maintenance of the heritage have been rehearsed again.

The Government has been interested enough to put up £1m to finance a delay in the planned construction of Imry's office block, but has remained distant. In effect, it told the interested parties to work out a solution that would meet the diverse wishes of Imry and the thespians.

Imry's redesign is the preferred official solution. It meets the main objectives of preserving and displaying the remains in a manner which English

Heritage, national guardian of listed buildings and monuments, thinks is adequate.

Mrs Virginia Bottomley, the junior Environment Minister, congratulated everybody. Southwark Council sees it as the best compromise available.

Theoretically, the council could have withdrawn the planning consent but that would have meant compensation for Imry and Postel. As Southwark does not have that sort of money, that option was irrelevant.

Imry said that the cost of the redesign, including a new base for the building and the change in the pattern of the floors above, would be about £10m.

That brings the total cost of the office development to around £70m, of which £20m was spent on the site in the first place.

But the Rose Theatre Campaign, formally launched three hours after the Imry designs were made public, is not satisfied.

It has technical worries that some of the piles might not be outside the theatre boundary.

On a broader level, it still wants the whole site used in a celebration of Shakespeare,

with a gallery for the Rose remains, a cinema and exhibition rooms, and has produced its own design.

Officially, the Rose remains have no status. They are in the control of Imry, which, legally, can do what it likes with them.

The remains have not been scheduled as an ancient monument, which would mean that English Heritage would have to give permission for any works that affected them.

The first priority of the campaign is to get the monument scheduled and Theodore Goddard, its lawyers, has written to Mrs Bottomley to that effect.

But Mr Martin Myers, the Imry chief executive, warned that scheduling the site would involve the Government with compensation of £100m.

The Rose Theatre Campaign now has a tough, if not impossible, task. The remains are being preserved and displayed in a way that satisfies English Heritage, and that rolls the campaign of at least part of its case.

The campaign wants control over a site which the owner does not want to sell and which it does not have the money to buy.

Over 150 hospitals interested in becoming self-governing

By Michael Cassell, Political Correspondent

MR Kenneth Clarke, the Health Secretary, will announce next week that well over 150 hospitals have expressed an interest in becoming self-governing under the Government's proposals for reforming the National Health Service.

Mr Clarke is expected to use the total to demonstrate that, in spite of widespread criticism of the self-governing plan from within the medical profession and from other political parties, the idea is attracting considerable enthusiasm at local level.

The Government believes that hospitals that opt to take on direct responsibility for their own budgets will improve efficiency and patient services.

The claim is rejected by opponents of the plan who believe it will help to lead to a two-tier health service. Labour is planning to step up its attack on the plan to coincide with Mr Clarke's announcement.

Bids by interested hospitals had to be lodged with the Department of Health earlier this week and Mr Clarke is known to be encouraged by the response.

It is understood that the hospitals involved are located throughout the country and range from small units to



Kenneth Clarke: encouraged by response

large, acute hospitals. They will be named on Wednesday.

Mr Clarke has already made clear, however, that a significant number of those hospitals will not be regarded as appropriate candidates for becoming self-governing. Some threatened with closure, for example, are believed to have applied in an attempt to remain operational.

Detailed discussions will now begin between the hospitals and the Health Department. The department believes that, after the successful passage of the necessary legislation, April 1991 will be the first practicable date for any hospital to become self-governing.

Those hospitals taking on self-governing status will become NHS hospital trusts and will be run by boards of directors. They will have a range of powers not available to existing NHS health authorities and hospitals - such as negotiating the price of services and powers to borrow, subject to annual financing limits.

Mr David Mellor, the Health Minister, yesterday announced the allocation of £2m to finance 38 pilot projects enabling doctors to develop medical audit systems with the aim of improving patient services.

Doctors interested in taking part in the audit, which also forms an integral part of the proposed NHS reforms, are to submit proposals to a medical advisory panel under an initiative linked to the Government's NHS white paper.

The document spells out the Government's intention to work with the medical profession to establish a system of medical audit in general practice.

The plan is to audit locally, on a basis of peer review and on self-audit by general practitioners and practices. Family practitioners committees will be expected to set up a small unit of doctors to support and monitor medical audit procedures.

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Failure of Mappa Mundi offer blamed on apathy of companies

By Clare Pearson

WIDESPREAD apathy among British companies was blamed yesterday for the collapse of an innovative attempt to save the Mappa Mundi, the medieval art treasure, for funds-starved Hereford Cathedral through a public issue of shares.

By yesterday afternoon, the final close of the offer, just £1m worth of applications, against the minimum of £2.5m required, had been received.

Mr John East of Guidehouse Securities, the issuing house which sponsored the offer, said: "We contacted 900 City institutions and all the big UK companies which support these kind of causes, and the silence was overwhelming. It is extremely sad."

However, the map could still be saved from going under the auctioneer's hammer to cover much-needed funds for restorations - so long as the one thousand or so people who have applied for shares in Mappa Mundi plc, the issuing vehicle, can be persuaded to make an

Job losses in shoe industry continue

By Alice Rawsthorn

THE TOLL of job losses and factory closures in the footwear industry is continuing after more than a year of intense pressure from imports and sluggish consumer spending.

The latest figures from the British Footwear Manufacturers Federation show that the industry's output fell to \$85.3m in March, representing a fall of 5 per cent compared with the same month last year.

Similarly, the level of orders received by British manufacturers during the month was 34.5 per cent lower, at \$64.6m, reflecting the dull state of shoe sales in the early spring.

The main cause of the footwear industry's problems - the strength of sterling, which made it easier for imports to enter the British footwear market - has been alleviated by the recent fall of the pound against the US dollar.

However, it will take time before the industry benefits from the pound's weakness.

equivalent donation instead.

The dean is expected to announce on Monday that all the applicants will be asked to contribute the £1,000 value of the shares anyway, on the basis that if a significant majority do so the map will not be sold.

The chapter is likely to be hoping that if it gets a good response to this, it will be able to reopen negotiations with the National Heritage Memorial Fund, whose earlier offer of about £2m, supported by £1m from Mr John Paul Getty, the philanthropist, was rejected on the grounds of the onerous conditions attached.

Yesterday a spokeswoman for National Heritage said: "We shall be glad to listen to what they have to say if they get back to us."

Although all the City advisers concerned gave their services free, Hereford will be left with a bill of around £30,000 for the costs of the offer, which under companies law could not

be extended beyond yesterday.

The decision to launch the offer was made after a last-ditch plan to sell the 13th century map at Sotheby's, the auction house, met with public outcry. Investors were offered, as share certificates, half-sized facsimiles of the map signed by the bishop and dean.

Investors deciding to make a donation instead will still receive their facsimiles although they will forfeit the hope of future dividend payments through exploitation of the exclusive marketing rights to the map which would have been enjoyed by Mappa Mundi plc.

It is feared the euphoric press comments made when the offer was launched in April may, paradoxically, have spoiled its chances of success through creating the impression that the map was a bargain. Most of the applicants were private individuals in the UK but there was some European interest, Mr East said.

Estate agents' plan seeks to end gazumping

AN ESTATE agents' plan aimed at ending gazumping and smoothing the path for home buyers has been sent to the Lord Chancellor. It would involve buyers and sellers signing an agreement, which would become legally binding after five days.

Mr Anthony Clark, general secretary of the National Association of Estate Agents, said the conditional agreement would minimise delay, gazumping and all the other ills prevalent in an adversarial system, especially uncertainty.

Outlining the scheme to estate agents at their annual conference in London, he said: "The agreement is an attempt to stem the carping criticism of estate agents and solicitors in those cases where the parties wish to have comparative certainty at an early stage."

The scheme would also call for more information from the seller, who would be expected to disclose "all material defects" and provide a survey report for the potential buyer.

The scheme was put forward in response to the Lord Chancellor's green paper on conveyancing.

CBI urges extra £1bn to ease traffic in south

By Rachel Johnson

AN EXTRA £1bn needs to be spent on new roads to relieve congestion in the south of England, the Confederation of British Industry said yesterday.

In a report on the southern region, it said traffic congestion was costing companies millions of pounds and putting businesses at a competitive disadvantage.

British Telecom's Thamesway division reported additional costs of £2m. Unpart in Oxford £500,000, and Black and Decker in Slough £1.26m. Nationwide, congestion cost about £15bn a year.

The CBI said the Government should embark on an ambitious programme of road improvements and building. Suggested schemes included a Home Counties orbital ring road, a fast route to the south coast, and another bridge across the Thames at Reading in Berkshire.

The CBI called for an urgent £106m programme to clear the backlog of road repairs and improvements, which the private sector should fund where appropriate. Bridges should be

strengthened to take heavier lorries.

A further £1bn on the £12bn planned spending on improvements to roads between cities outlined in the roads white paper, was essential if British businesses were to thrive after the creation of the single European market in 1992 and the opening of the Channel tunnel in 1993.

All the schemes proposed in the roads white paper should be speeded up so that the south - an important centre of wealth creation - was not choked by traffic chaos. Planning delays should be reduced, so that improvements could be in place before the next millennium, otherwise losses would be lost to France.

Mr John Robertson, chairman of the CBI southern region working party, said: "There was serious concern among businessmen that the transport system was inadequate and makes a very poor comparison with Europe."

Roads to Growth: A Competitive Transport System for Southern England in the 1990s. CBI southern region, ES.

Pension industry hits ceiling over Lawson

Eric Short on why a limit on allowable earnings is causing anger

AMONG all the slings and arrows hurled this week at Nigel Lawson, the Chancellor of the Exchequer, was one from the National Association of Pension Funds, the trade association of occupational pension schemes.

However, its thunderbolt in the form of a pamphlet was not about interest rates, but on the Finance Bill proposals to impose a £50,000 cap on earnings on which tax-approved pensions would be based.

Nevertheless, the language in the pamphlet matched anything the other critics were hurling at the Government.

Phrases such as "the public interest demands that the facts should be known" and "if the Government proceeds with the Chancellor's proposal in its present form, the implications for our parliamentary democracy will be horrendous indeed," sound very much like an attack from a radical left-wing politician rather than the said NAFP.

It is not unknown for the UK pensions industry to be at odds with the Government, whether it be Conservative or Labour.

But these disputes have been conducted with dignity and decorum, even when the industry has failed to achieve any significant concession. What has happened this time?

The cause of the dispute, while important, does not appear to be a matter of life and death for occupational

pension schemes.

The Chancellor, in his Budget speech announced he was removing all benefit restrictions on pensions so that employers could pay whatever pensions they wished to their employees.

But, at the same time, he announced he was setting a limit on the pensions which could be paid from tax-approved occupational schemes by imposing a £50,000 ceiling on earnings on which tax-approved pensions would be based.

He argued that while it was right that employers should be free to provide whatever pension they saw fit, it was not right to raise the current generous tax treatment open-ended.

Mr Lawson went on to say that he had deliberately fixed the ceiling at a level that would leave the majority of employees unaffected and that it would be subject to annual uprating in line with inflation.

The NAFP does not dispute Mr Lawson's statement as applying to existing employees, though consultants are reporting considerable concern from employers worried about its effect on the recruitment of top executives. So, on its face value, the imposition of the ceiling looks like a minor adjustment to prevent high earners having their pensions subsidised by the general body of taxpayers.

As such, the association and

others cannot object to the imposition of a ceiling. It is the revaluation basis that is the root of the issue.

The pension industry includes a lot of actuaries who understand compound interest, know the difference between earnings growth and price inflation and tend to look well into the future.

As such they regard the ceiling as a slow-acting poison pill, coated with the sugar of unlimited pensions.

Over the past 20 years, earnings have risen, on average, by 2.5 per cent a year more than prices. If this differential continues into the future, then each year the value of the ceiling relative to the general level of earnings will drop so that more and more employees are affected.

In time, if the new system is not amended, it will not be just the top earners who are affected by the ceiling.

Actuaries using their complex interest techniques estimate that in 30 years' time, 40 per cent of employees at that time will have their pension expectations restricted by the ceiling.

The association, as well as other sectors of the pensions industry, including the CBI, has tried to spell out that consequence to the Treasury and has called for the ceiling to be revalued in line with average earnings, not prices. After all, the pension entitlements in the State Earnings-Related Pension

Scheme are uprated annually in line with average earnings according to statutory requirements.

However, these protests have achieved nothing.

The reply from Mr Norman Lamont, Financial Secretary to the Treasury, shows that this differential and its effect is understood.

But Mr Lamont points out that price revaluation is the form of indexation used in the tax system. His letter specifically refers to tax thresholds being indexed in line with prices, although he fails to refer to the fact that the logical index for tax thresholds would be earnings.

Previously at this point the pensions industry would accept the inevitable and settle down to adjusting to the new system.

Instead, the NAFP has attacked the very integrity of the Government.

Mr Lawson in his 1985 Budget speech pledged not to make any fundamental changes in the pension tax regime without prior consultation and a green paper.

Seasoned campaigners with Treasury ministers, such as the CBI, treated this statement as they treat most other ministerial pledges - with scepticism.

However, rather naively, the pensions industry in general and the association in particular has taken this statement at face value.

The pamphlet accuses the Government and Mr Lawson of breaking faith and rebuts claims that this is not a fundamental change in the tax regime.

But, more fundamentally, the pensions industry is far more fearful of this present Thatcherite Government than it ever was of any Labour government.

It has a strong and deep-rooted fear that the views of the right-wing advisers to the Government are prevailing and that the long-term objective is to destroy the whole concept of collective pension provision occupation in favour of private pension provision.

That suspicion can only be removed if the ceiling is revalued in line with earnings.

Some sectors of the pensions industry, while supporting the protest, question the timing of the publication of this pamphlet.

The CBI is due to meet the Inland Revenue next week to discuss the Finance Bill provisions, and pension changes would be prominent in the CBI's submission.

The hard-hitting attack by the NAFP in its pamphlet could well harden the Government's attitude towards making any concessions to the Finance Bill proposals.

Truth, Honour and Democracy - The Finance Bill 1989. National Association of Pension Funds, 12-18 Grosvenor Gardens, London SW1W 0DH, 75p.

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UK NEWS

Property's Mr Fixit changes tack Paul Cheeseright on why a top deal-maker is becoming a developer

THE PHONE rang in the Belgrave home of Paul Bloomfield at about 11pm last Thursday. On the line was an acquaintance whose business was under attack.



Mr Bloomfield started phoning round. By yesterday morning he had put together the main elements of an \$900m (£38m) deal, buying the whole business, selling on two divisions for \$700m and arranging to keep the property assets himself.

Paul Bloomfield: "I take two and two and try and make six. I see something in a deal that other people don't see."

annulled last year. All of that stems from a row with the Inland Revenue about tax payments. Mr Bloomfield acknowledges a youthful negligence.

There are plenty of property people who acknowledge his skill in the recent bull market, but wonder whether he can carry on if the market turns down.

Travellers Fare young workers win pay rises

By Charles Leadbeater, Labour Editor

YOUNG workers at Travellers Fare, the railway station fast food company, are to get pay rises of up to 25 per cent under a pay deal designed to help the company recruit young people.

The deal follows a similar move by retailers to improve youth pay to ease recruitment pressures in the light of the decline in the number of young people entering the labour market.

Travellers Fare, under a deal which scraps the company's age-related payment system and moves young workers onto a single adult rate, about 250 of the company's 2,700 weekly-paid staff will get rises of between 22 per cent and 25 per cent.

EMPLOYMENT

PLA move seen as breach of Dock Labour Scheme

By Jimmy Burns, Labour Staff

BRITAIN'S biggest port employer, the Port of London Authority, has announced that it is no longer prepared to act as an employer of last resort for dockers made redundant in the area.

Local shop stewards are expected to be planning a mass meeting next Tuesday in what could lead to an outbreak of unofficial strike action.

The company says that the DTF recently tabled a "far reaching" amendment to the Esops in the Companies Bill which was encapsulated in a single paragraph.

not be used except for the strict purposes of the Dock Labour Scheme. These are defined as a temporary holding of men pending re-allocation to another employer or determination of a disciplinary case.

Yesterdays move means that dockers who lose their jobs in the London area over the few weeks leading to the abolition of the Dock Labour Scheme will be put on the Temporary Unattached Register (TUR) as a residual pool of casual unregistered labour.

By contrast, legislation drafted by the Inland Revenue for the Finance Bill runs into "12 pages of technical legislation".

Complex laws 'threaten employees' shares plan'

By Michael Smith, Labour Staff

TECHNICAL OVERKILL by the Inland Revenue is threatening government plans to legislate on Employee Share Ownership Plans (Esops) which would be unattractive to many companies.

Progress over BBC pay

By Our Labour Staff

THE BBC and broadcasting unions yesterday completed negotiations, ending a 13-week dispute.

Resisting the stamp of authority

Charles Leadbeater and Michael Smith on the passport dispute

MARIO SOZZI, a 27-year-old civil servant, is the first to be arrested by the London passport office where he works should be to cut queues.



Pickets on duty outside Peterborough Passport Office

Office has offered an increase of 150, more casual staff and an independent review of staffing requirements.

Shorter day 'could lift school standards'

By David Thomas, Education Correspondent

STANDARDS IN British schools might rise if they were to adopt a shorter "continental" day coupled with a four-term year, the annual conference of the National Association of Head Teachers was told yesterday.

Mr Baker added that the national curriculum, which will be phased into schools from September, would allow heads to raise standards by helping them to plan the step-by-step progression of pupils through schools.

CBI head urges business to back training councils

By Hazel Duffy

SIR Trevor Holdsworth, president of the Confederation of British Industry, yesterday urged business to help with the formation of the Training and Enterprise Councils that are being set up.

the key business decision makers in each area than to worry about whether they wear a CBI or a chamber of commerce hat.

GRANVILLE SPONSORED SECURITIES table with columns for High Low, Company, Price, Change, Dividend, Yield, P/E

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A benign scenario

IS IT POSSIBLE that the world's stock markets have got it all wrong? Here, after a Wall Street within striking distance of its pre-crash peak, other equity markets are well up on their levels at the start of the year. Yet there are clear signs of overheating in the global economy.

Oil prices are up more than a tenth on their level of a year ago. In the US, which many expect to slow down sooner than West Germany and Japan, wages are marching firmly upwards. In the rest of the world monetary expansion has contributed to an impressive boom. In some cases, most notably Britain, that has led to excess demand and growing trade deficits. Equally, industrialising economies exert a gravitational pull on wages in the developed world, as industrialists relocate their operations to make good the erosion of cost competitiveness.

The response to all this has been a tightening of monetary policy across the world. This week Japan followed West Germany and the UK with a rise in interest rates designed to damp down growing inflationary pressure. Yet bond investors appear to be marching about as if all their countries are parts in the equity markets. This is especially true in the US, where the optimism is reflected in an inverse yield curve; that is long bonds are yielding lower returns than short-dated securities. Investors are, it seems, once again content to leave the task of imposing financial discipline on the US economy to the Federal Reserve.

Paradoxical movements

Stock markets are by no means infallible. But when they are wrong, their more paradoxical movements are usually telling us something interesting. And in this case it is worth noting several inflationary dogs that are refusing to bark. Commodity prices have not risen since the dollar's recent surge through the target levels agreed by the Group of Seven at the Louvre Accord in 1987; and the gold price, which usually soars on expectations of higher inflation and currency turbulence, is in the doldrums for oil, it has indeed bounced off the bottom. But with the huge increase in non-Opec energy sources, no one expects an early return to the inflationary shortages of the 1970s. That other great engine of inflation, public spending, is also succumbing to more prudent management. Mr Gorbachev's revelations this week about the true size of Soviet military expenditure, with Mr Bush's successful diplomacy

within Nato on reducing short range nuclear weapons, together pave the way not only for a momentous step towards peace and stability, but for a less wasteful use of economic resources.

Unified market

The world economy in the 1980s has also acquired some new disinflationary stabilisers as a result of increasing integration and interdependence. Excess demand in one country no longer leads instantly to inflationary bottlenecks because it can be satisfied from excess capacity in the rest of the world. And in this unified global market a rich vein of cheap labour in newly industrialising economies exerts a gravitational pull on wages in the developed world, as industrialists relocate their operations to make good the erosion of cost competitiveness.

It may be that the stock markets have sensed a benign shift in the economic structure that favours less inflationary growth. In the meantime, industrial confidence is high. Instead of testing investment plans against worst case scenarios they did after the oil crisis in 1974, companies have sparked off a hugely optimistic investment boom in plant and machinery that will help sustain the growth momentum.

So what could upset this cheerful rationalisation? The main adjustment mechanism in a single world market in production and labour is the trade account; and trade imbalances provide the inflationary escape valve when individual countries suffer from overheating. The US experience with a large trade deficit is that the financing of imbalances can be manageable over long periods. But if overheating becomes global, financing would be more difficult as competition for resources in the trade surplus countries became more fierce.

That said, America's inverse yield curve is telling us that investors regard this problem as remote. Their faith in the ability of the authorities to provide monetary stability has been bolstered by a pre-emptive anti-inflationary strike in the world's three largest economies. The real risk now for equity markets - though not for bonds - is that central bankers who were scarred by the inflationary trauma of the 1970s will overreact by continuing to tighten, thereby precipitating recession, while the protectionist lobby in the US puts an additional brake on world trade growth. It is reassuring that the markets have so far shrugged off that risk. But the test is far from over.

David Lascelles reports on County NatWest and the Blue Arrow affair

The Department of Trade's five-month long inquiry into the Blue Arrow affair - the first to involve a clearing bank, National Westminster Bank - is still a month or two from completion. But the first fruits began to emerge this week when the inspectors circulated parts of a draft to those involved to give them a chance to correct facts and respond to criticism.

When the report is complete, it will be up to Lord Young, the Trade Secretary, to decide what further action to take, specifically whether to pass it on to the Serious Fraud Office.

Although people at Lothbury, NatWest's headquarters, are putting a brave face on the affair and expressing the hope that the inquiry will conclude there were only technical breaches of the law leading, at worst, to a reprimand, there is some anxiety there that the government will use Blue Arrow to make, as one said, "a sensational killing in the City".

Interviews with many of those most closely involved suggest that NatWest, and its merchant bank County, were, at best, economical with the truth about their controversial holdings in Blue Arrow, certainly so far as public disclosure requirements. And there may also be placing facts before their advisers and regulators. At worst, these actions could amount to fraud, and breach of the disclosure requirements of the Companies and Banking Acts, though the indications so far are that the inspectors will recommend disciplinary action against individuals, and require them to abstain from certain types of activity, rather than recommend prosecution.

The inquiry centres on the handling of an 887m rights issue in September 1987 by Blue Arrow, an employment services company. The issue was a flop, forcing County, the lead underwriter, and Phillips & Drew, the brokers, to take large blocks of shares totalling nearly 19 per cent themselves. But these holdings were not disclosed, even though, together, they greatly exceeded the 5 per cent level at which UK law requires disclosure.

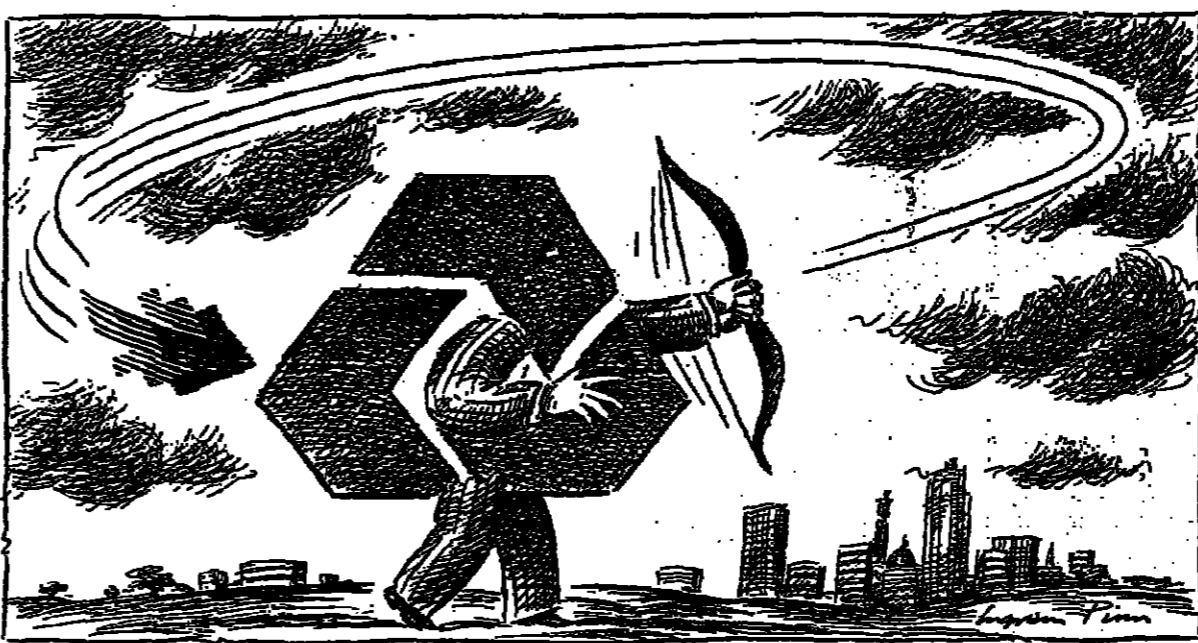
Last December, the DTI appointed two inspectors to inquire into County's role in the affair under the section of the Companies Act covering "circumstances suggesting that the company's affairs have been conducted for a fraudulent or unlawful purpose".

The major issues raised by the inspectors are: Was there any deliberate attempt to conceal the failure of the rights issue - or did County have solid grounds for not disclosing where the stakes had been placed? Secondly, these conflicting views are summed up by two senior County executives, both now departed. Says one: "I can't see what all the fuss is about. The corporate finance department was doing what it was supposed to do, and it was all backed up by legal opinion."

The second counters: "These people broke the law and they should be in jail." A key factor was County's eagerness to have a successful deal and boost its standing. As a clearing bank subsidiary rather than an independent merchant bank it had always been in the City's second rank. It was also under strain because of management blunders resulting from the Big Bang in 1986.

The scale of the Blue Arrow issue gave County an opportunity to exploit its one great advantage, the huge balance sheet of its parent. The corporate finance department under Mr David Reed, and the director specifically engaged on Blue Arrow, Mr Nick Wells, were determined to make a success of it.

But many of the aspects of the way County handled the deal when it started to go sour after the October



'Our motives were not base'

market crash are hard to reconcile with its executives' claim that all was right and proper. Specifically:

● The stakes were split up into bundles which were small enough to fall below the disclosure requirements. County itself had 4.9 per cent, and its market-making arm County NatWest Securities was prevailed upon to take a further 4.6 per cent. Phillips & Drew, the UK stockbroker subsidiary of the Union Bank of Switzerland, had about 5 per cent and UBS itself another 4 per cent.

● County NatWest Securities held its shares under an arrangement which indemnified it against loss on the holding and limited it to 70 per cent of the profit. As a market-maker County NatWest Securities was exempt from the disclosure requirement, but only for shares held in the course of its market-making operations.

● UBS held its shares under a special arrangement under which County agreed to indemnify it against loss, thus reinforcing the link between the various stakes.

● There is a question-mark over whether County's compliance department was told all the details of the placing as soon as possible. One of the bank's directors admits: "Our understanding of compliance was less developed then. It was a new toy."

● Phillips & Drew put advertisements in the press claiming that the unsold portion of the rights issue had been "successfully placed at a premium." Although strictly correct, this glossed over the fact that a large part of the shares were still with those responsible for issuing them, and the premium was a mere 0.25p. The line taken by County NatWest is that all these arrangements were

made to minimise disruption to the markets, and to do the best possible deal for its client, Blue Arrow. But that was sufficient justification for concealing the extent of the issue, says one senior County director. "Our motives were not base," says a senior County director.

The legal opinions: Much emphasis is laid by both County and NatWest on the fact that legal opinion was obtained shortly after the issue which said that the stakes were not discloseable, and that all the actions taken were within the law. The main opinion was given by the firm of Travers, Smith, Brathwaite.

The legal opinion was crucial. It was the key point in presentations that were made by County both to the NatWest board and to the Bank of England, and it appears, was the main reason why neither of these bodies thought it necessary to intervene. The Bank was informed of the arrangements soon after they were made and was satisfied on learning that they had been cleared by the lawyers. Similarly, when the board was briefed on Blue Arrow at a later stage, the directors' main concern was with the legal position.

The question is whether the lawyers were given the full facts. As one NatWest executive says: "You can tell the lawyers anything."

If it transpires that the opinions were based on partial information, this would strengthen any impression that County was deliberately trying to mislead. It would also raise the question whether the NatWest board and the Bank of England were wrong not to seek independent legal opinions of

their own on a matter as fundamental as this. Neither appears to have checked whether County put the right questions to the lawyers, though Lord Boardman, NatWest's chairman, felt sufficiently uneasy about the indemnity arrangements to seek further legal advice. He was assured that all was within the law.

Who knew what and when? To what extent was County acting on its own initiative, and to what extent with the approval of its parent?

What is certain is that the exposure created by the Blue Arrow rights issue exceeded the limits set for County and therefore required approval at group level by the chief executive's office, consisting of Mr Tom Frost, the group chief executive, and his two deputies, Mr Terry Green and Mr Charles Green. When the deal closed, NatWest's top personnel were in Washington attending the annual meeting of the International Monetary Fund, so they were not on hand when County had to find a home for the unsold shares.

Many people working in County believe that NatWest's top executives would have had full information all along about the placing of the stakes. But the executives say that these were technical details best left to the "seasoned professionals" at County. Also, they were reassured by the legal opinions: "We were not concerned with specialist detail. We were concerned with macro risk," says one of them.

The board of NatWest was not told of the problems with the issue until December 8 1987, more than seven weeks after the crash, when County directors reported County's 9.5 per cent holding and the UBS and Phillips

& Drew positions to them. The directors inquired into the legality of the arrangements and were assured legal advice had been obtained. But the board did not ask to see the legal advice. "If the senior executives tell us that is the case, we had no reason to doubt them," says a board member.

The extent of disclosure: Was the essential disclosure by County of its stakes on December 17 the result of a reasoned decision, or was it forced out by mounting press revelations, particularly in The Economist? NatWest says the announcement was made "as soon as appropriate." But it was also clear by then that the truth could not be suppressed much longer, even if the auditors who were conducting their year-end reports did not uncover it sooner.

However County only reported its own holdings. It did not disclose the holdings of Phillips & Drew and UBS. NatWest still believes this course was correct: "We were not concerned with the other arrangements, and in retrospect I still think that decision is right," says a senior source.

The role of UBS: If NatWest was economical with the facts, UBS's role was also questionable. Why did it not disclose the 4.6 per cent level amounted to well over 5 per cent? Why, furthermore, did Phillips & Drew place the advertisement announcing the successful completion of the issue when it knew that a substantial portion had been parked? UBS has refused to comment on the affair, though NatWest has said that such advertisements are normal practice.

What is particularly curious about UBS is that it was not named in the terms of reference of the DTI inquiry. This need not prevent it being criticised in the inspectors' report (indeed, two UBS employees were sent a copy of the inspector's draft this week, which is an indication that they are named in it). But the DTI's omission has added to the sense of grievance at NatWest.

The Wilkinson inquiry: How thorough were NatWest's own efforts to get at the truth of the Blue Arrow affair once it had burst into the open? After the resignation of Mr Charles Villiers and Mr Jonathan Cohen, County's chairman and chief executive, in February 1988, Mr Terry Green took over as temporary chief executive. He quickly ordered an internal inquiry by the group's inspectors under Sir Philip Wilkinson, a former NatWest chief executive and now deputy chairman.

NatWest has refused to discuss the details of Sir Philip's report, but its main conclusions are said to be: ● that "administrative mistakes" were made;

● that confidentiality rules were, if anything, too rigidly adhered to in County, and this prevented information about all the Blue Arrow holdings from being collated. For example, it transpired that NatWest's fund managers had bought 1 per cent of Blue Arrow for private clients and this tipped County's 4.9 per cent holding over the 5 per cent mark.

● that there was "lexity" in accounting at County.

However, Sir Philip's central conclusion is that all actions to do with Blue Arrow were taken with honest motives, and that there was no attempt to deceive the public. In retrospect, an independent inquiry would have done more to restore confidence in the NatWest group (NatWest could have asked the Bank of England or external auditors to do it), but Mr Green did not debate whether this was preferable. "It was not a whitewash, it was a *mez calza*," says a senior executive. The coming weeks will show what further pain County has to undergo before it finally purges itself of Blue Arrow.

MAN IN THE NEWS

Sousuke Uno

A serious politician with little taste for intrigue

By Ian Rodger



circumstances bothers Mr Uno, a 66-year-old, 10-times-elected party stalwart, he is not showing it. He said yesterday he was well aware of the crisis in the party and would set about political reform immediately. "I would like to help the party make a clean start so we will be able to regain the trust and confidence of the people," he said.

Mr Uno certainly has some qualifications for the task ahead. He has, in his long political career, acquired a reputation as a competent and serious minded executive on a wide variety of issues. First elected to the House of Representatives in 1958, he was soon noticed as a man of promise, and was used by Government leaders in the mid-1960s as a frequent emissary to Seoul to prepare the groundwork for the normalisation of relations between Japan and South Korea.

He held party positions in the early 1970s that enabled him to acquire some expertise on financial issues and won his first cabinet post, that of director general of the defence agency, in 1974. In the late 1970s, as the minister responsible for science and technology, he negotiated delicate agreements with the US that enabled Japan to set up a nuclear reprocessing plant. He was minister of international trade and industry in the Nakasone administration in the early 1980s when the US took fright at the surge of Japanese car imports, and he has proved an active and popular foreign minister at a time when Japan's influence in the world has grown rapidly.

He is eloquent to the point of being occasionally maudlin in his speeches, but wins praise from foreign diplomats for studying his brief carefully and being a lively conversationalist. "Ministerial level meetings with some Japanese foreign ministers have been quite painful, so Uno is appreciated," one Western diplomat said recently.

The son of a sake brewer in rural western Japan, Mr Uno was a second lieutenant in the Imperial Army during the war. In 1945, he was captured by Soviet forces and spent two years in an internment camp. That experience led to his subsequent career. Shortly after coming home in 1947, he published a book about his experiences in the hope of raising public awareness of the plight of the remaining internees. The book was a great success, and formed the basis for a popular film. Mr Uno has said that "this experience of the power of public opinion led me to enter politics."

Published two collections of poetry and two books on the history of his native region of Shiga, in western Japan. He paints in oils and loves to play folk tunes on the harmonica, as many foreign statesmen can attest. He is also a qualified teacher of kendo, Japanese fencing.

His weakness throughout his career has been an unwillingness to get deeply involved in the money-driven intra-party intrigue that leads to the acquisition of personal power in the LDP. He has been content to take a secondary role, working quietly for other leaders, especially Mr Nakasone, in whose faction he has been a loyal member for more than 30 years. When he was appointed foreign minister in the Takeshita cabinet, it was widely assumed that he was merely the delegate of Mr Nakasone, who maintains a strong interest in foreign policy.

His lack of a personal following in the party could be his undoing as prime minister. He will leave the Nakasone faction in line with new party guidelines, but there is strong suspicion that the former prime minister still has a powerful influence on him. Indeed, Mr Nakasone resigned from the LDP and as leader of his faction last weekend partly to make it possible for Mr Uno to become prime minister. Other party leaders and many backbenchers would not otherwise have stomached the idea that Mr Uno, who was prime minister when the Recruit bribery campaign took place, be rewarded with a protegee's succession for having caused the party's current upheavals. Mr Uno may also feel indebted to Mr Takeshita, who proposed him for the job and convinced the party's leaders to accept him.

It all points to another stormy few months in Japanese politics. But at least Mr Uno is aware of the imagery. He recalled one of his many mottoes yesterday. "Spring winds go through iron walls." They will probably have to if he is to be more than a stop-gap prime minister.

HENDERSON
ADMINISTRATION GROUP PLC

Results for the year to 31st March, 1989

	1989	1988
Profit before tax in £thousand	12,440	22,456
Earnings per ordinary share in pence*	37.87	65.73
Dividends per ordinary share in pence	30.00	27.00
Net assets in £thousand	47,707	45,561
Funds under management in £million	8,787	7,611

*Earnings per ordinary share are shown before transfer from/to initial charge equalisation reserve.

With a strong balance sheet as support, the Group has reaffirmed its commitment to corporate independence, and believes that it is well placed to take full advantage of resumed confidence in the world's equity markets to the benefit of shareholders and clients alike.

The above figures are extracted from the accounts of the Group on which the auditors have given an unqualified opinion. The accounts will be filed with the Registrar of Companies and posted to shareholders on 9th June, 1989. Thereafter copies may be obtained from the Company Secretary, Henderson Administration Group plc, 3 Finsbury Avenue, London EC2M 2FA.

HENDERSON. THE INVESTMENT MANAGERS.

Peter Riddell looks at the standing of President George Bush after his successful European tour



A brief rest on the laurels of a Nato triumph

President George Bush has not suddenly become a great world statesman despite the favourable publicity of the last few days on both sides of the Atlantic...

Consequently, the US appeared to be lagging behind the pace of events in the East and the shift of opinion in the West. He was seen as falling to live up to the historic leadership role of a US President within the alliance.

However, Mr Bush decided about two to three weeks ago that a more positive approach was needed if he was to make an impact at the summit. This partly reflected his frustration at the criticism, as well as the increasing signs of a stalemate in the dispute over the future of short-range nuclear missiles in Europe.

The fresh approach was, in Mr Baker's words, "not initially developed within the bureaucracy" - that is it was discussed by the small inner group of officials at the top of the State Department and a few top staff of the National Security Council.

British concern that such negotiations should be dependent on substantial progress on reducing the conventional arms imbalance in Europe. The plan was then quickly sold to allied leaders during a 30-hour dash round Europe 10 days ago by senior officials.

For those travelling with the President on the jet age equivalent of the Grand Tour, Mr Bush appeared to gain self-confidence as the week went on. He started in a faltering way in Italy, but from Brussels onwards was clearly elated by the welcome mixed with relief - that his sense of control plan received from the allies.

seals success when he spoke in the Rheingoldhalle in Mainz alongside Chancellor Helmut Kohl, Mr Bush was warmly received not for any flights of oratory, but for his ability to show that he could respond to European concerns.

European leaders were pleased that Mr Bush had taken the initiative since it was only the US that could offer the leadership needed to ensure that the summit succeeded. Mrs Margaret Thatcher offered Mr Bush the implied compliment - and the implied barb for President Reagan's dramatic moves - that she preferred a measured approach rather than dashing into things.

For Argentines, hyper-inflation strikes with different weight, but it is most of them. Three weeks ago my baby was going to have disposable nappies. After the birth I was going to have six months at home and a domestic, to help with the housework and shopping.

furniture makers - everyone who can, demands dollars as payment. Argentina is now a dollarised economy. It's a disgrace. Argentina used to be a European country, now all these Indians from Paraguay and Bolivia have taken it over, a local garage owner complained.

Argentine's indigenous Indians were wiped out by squabbling petty tyrants in the 19th century. Those migrants to Argentina from ethnic Indian background, like Bolivia and other neighbouring countries precisely to avoid the kind of poverty which last week touched off Argentina's tinder-box.

The government, for its part, has decided that Trotskyists are to blame for the explosion, and has cracked down on the tiny Partido Obrero (Worker's Party). Two of its group's leaders were summarily arrested on Thursday afternoon in the presidential palace.

Simply trying to sort out the relative price distortions wrought about by hyper-inflation calls for great mental agility. When a one-week course of anti-biotics (2,000 austral) costs half as much as a month's rent on a small Buenos Aires apartment (4,000 austral), which also translates into the price of five jars of instant coffee, the market - and the austral - have become meaningless.

three jobs plays havoc not only with health and personal happiness. It also leads directly to the black economy which has plagued Argentina for years. People have grown accustomed to cheating on taxes. They have learned not to have confidence in government. Looting, in a sense, has now become the poor's form of cheating.

without electricity, are taught in shabby under-equipped schools and treated by roving doctors who carry bags of medical freshees given by drug companies. An inhabitant of Soweto dropped into one of the dozens of the villas miserias (shanty-towns) which ring the capital.

A land where looting is a form of survival

After a week of food riots in Argentina, Gary Mead describes how people cope with hyper-inflation

MR JIM MORTIMER

In Michael Cassell's article on Mr Kimock's leadership of the Labour Party in the Financial Times on May 13, former Labour Party general secretary Jim Mortimer was mistakenly described as having been removed from that office by the Labour leader.

'Nato needs an enemy'

announced goal of integrating the Soviet Union into the world order. America can succeed in doing this only if the democratic powers stand together on the important issues throughout. Yet how can they stand together on this, if Nato is not able to stand on its own but needs a Soviet enemy to hold it together?

Each pension increase will have taken account of inflation up to a point shortly before the increase is paid, not, of course, over the whole of the calendar year. During 1988 the year-on-year rate of inflation increased steadily, from 3.5 per cent to 6.8 per cent. Even those pension schemes which increase their pensions at the very end of the year could not have taken account of the 6.8 per cent year-on-year increase.

Some pensions keep up - and some don't

Each pension increase will have taken account of inflation up to a point shortly before the increase is paid, not, of course, over the whole of the calendar year. During 1988 the year-on-year rate of inflation increased steadily, from 3.5 per cent to 6.8 per cent.

As in most statistical matters, a better impression is gained by considering the longer term. A straight comparison between the average pension increase granted over the last

four years and the year-end inflation rates, indicates that in two out of the four years the inflation has beaten inflation; in the other two they have fallen behind.

Mutatis mutandis

However distinguished a City man may be, however much a member of "the great and the good," a clearly visible metal clip round the side of the neck does rather detract from the desired effect.

City, it is surely better to ditch the dimer jackets where the clip of a made-up black tie can at least be concealed.

Trees that grow so fair

years... with Henry's instructions, he had to travel the 800 miles to Ichang in central China where the tree was. Henry drew Wilson a map - to show a solitary tree in an area the size of England.

Wilson was boat-wrecked in rapid rapids while travelling through country notoriously unsafe; it was the time of the Boxer revolt, and his Chinese guide was an opium addict. He found the tree, though, its stump was standing by a house that had just been built from its wood. 'I did not sleep that night,' he wrote in his diary.

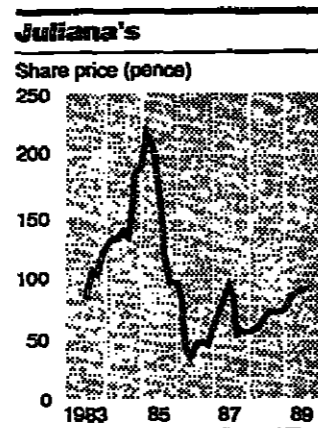
Robinson Lane Fox suggests that the Vilmorin's would have been "the better choice" for Oxford. It would appear that the possibility of a choice is due, at least in some measure, to Ernest Wilson.

Table with columns: Applied, Net, CAT, Interest, Balance. Rows include various building society investment terms and details.

UK COMPANY NEWS



Brian Wolfson: chairman of Wembley



Wembley goes disco dancing at Juliana's

By Philip Coggan

WEMBLEY, the leisure and property group, has agreed a £2m bid for Juliana's disco side since Wembley is used for more rock concerts than any other venue in the world.

Mr Wolfson also said that there was a link with Juliana's disco side since Wembley is used for more rock concerts than any other venue in the world.

Eagle Trust talks with potential suitors ended

By Philip Coggan

EAGLE TRUST, the Midlands-based conglomerate, said yesterday that it was no longer in discussions with potential takeover suitors.

Eagle also announced yesterday the appointment of Parrish as its broker. At the time of the appointment of Mr Stockdale, Charterhouse Tilney resigned as broker and Charterhouse Bank as financial adviser to be replaced by Aitken Hume.

VAG/Europcar

The trade and industry secretary has decided not to refer the following mergers to the Monopolies and Mergers Commission: the acquisition by Volkswagen AG of a 50 per cent holding in Europcar and the acquisition by the latter of Interrent.

A further sign of a recovery in the Scotch whisky industry Allied-Lyons goes for a double malt

By David Waller

ALLIED DISTILLERS, the whisky arm of Allied-Lyons, is buying two mothballed Highland malt whisky distilleries from United Distillers, the spirits subsidiary of Guinness, the international drinks company.

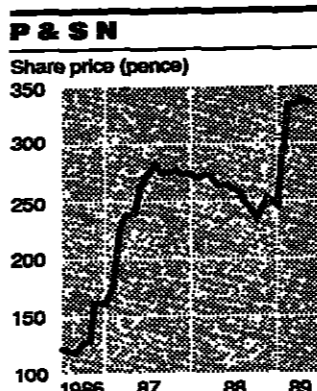
shire, and Glentworths, in Mulben, Banffshire, respectively were closed down by United Distillers in May 1988 in the face of continuing overcapacity in the whisky market.

Higher advertising revenue boosts P&SN

By Andrew Hill

PORTSMOUTH & SUNDAY SPORTS, pre-tax profits rose from £4.36m to £5.75m in the year to April 1, on the back of increased advertising and printing revenue.

Turnover rose from £83.3m to £71.7m, of which 70 per cent (73 per cent) came from newspaper publishing and printing and the balance from the group's chain of 28 convenience stores and 20 newsagents, which is being expanded at a rate of 10 stores a year.



publisher, Associated Newspapers, at a 30 per cent profit.

Court halts subsidiaries buying further Sea Containers shares

By Andrew Hill

BERMUDA'S Supreme Court has stopped Sea Containers' subsidiaries buying further shares in the parent company for at least another month.

Evidence of Tiphook and Stena's attempts to kill Sea Containers with kindness emerged at yesterday's Bermuda court hearing in the form of exhibit (a)(10), a letter from Stena's chief executive Mr Dan Sten Olsson, to Mr James Sherwood, Sea Containers general but hard-headed president and founder who owns 7.1 per cent of the group, writes Andrew Hill.

James Smith comes to USM valued at £16m

De Benedetti raises his De La Rue stake

By David Waller

SHARES IN De La Rue gained 6p to 31 1/2p yesterday against the trend of the market after it emerged that Societe Financiere de Geneve - the Swiss holding company for Mr Carlo de Benedetti - had increased his stake in the UK bank-note and printing equipment group.

well, the ubiquitous entrepreneur who holds a 15 per cent plus stake in the company, went out of his way to declare his loyalty to the present management. It was thought that his holding would make an ideal platform for a bid.

HunterPrint falls 36% after factory move

By John Thornhill

HUNTERPRINT GROUP, the specialist printing group, yesterday revealed 36 per cent fall in pre-tax profits from £3.6m to £2.31m in the 26 weeks to April 2.

man, said he was pleased that the company's new factory Corby was now operational and that three of the seven presses were commissioned on schedule during May.

tightening margins and the demand in the City for these services but the business form division performed well.

is likely to be 35 per cent rather than the 11 per cent previously envisaged also (see page 12).

Henderson Admin falls to £12.4m but better than expected

By Clare Pearson

HENDERSON ADMINISTRATION Group, the fund management group, has reported a crash, emerged less scathed than it had expected as it revealed its results for the year to March 31 1989.

as a 13 per cent shareholder, Henderson has indicated the US company is welcomed.

Lowndes Queensway balance sheet deficit

By Maggie Urry

THE FIRST set of accounts from Lowndes Queensway, the furniture and carpet retailer formed by the takeover of Harzels Group last August, confirm that the group had negative shareholders' funds of £101.8m, after taking off goodwill of £116.4m, at the balance sheet date.

Mr James Gulliver, Lowndes Queensway chairman, is a director and the majority shareholder of James Gulliver Associates, a public relations agency approved by the company's financial advisers, the accounts say.

Besieged Lambert Howarth forecasts a return to profit

By John Thornhill

LAMBERT HOWARTH, the besieged insurer and baggage group, has issued a forecast for a cast for the 1989 year in an attempt to persuade shareholders to reject the hostile bid from Peter Black, the consumer goods manufacturer and distributor.

on improved manufacturing efficiency, updating designs and selective importation of complimentary products.

Rental income boosts Dwyer

By Edward Suseman

A £1.06m boost in rental income helped boost profits of Dwyer, the Dublin-based property and trading group, by 64 per cent to £1.88m pre-tax for the six months ended March 31.

The six months saw rental income increase by 32 per cent to £2.2m and trading profits nearly treble to £1.06m. Other income totalled £52,951 (£50,741).

LONDON RECENT ISSUES

Table with columns: Name, Price, Change, etc. for various equities.

FIXED INTEREST STOCKS

Table with columns: Name, Price, Change, etc. for fixed interest stocks.

RIGHTS OFFERS

Table with columns: Name, Price, Change, etc. for rights offers.

TRADITIONAL OPTIONS

Table with columns: Name, Price, Change, etc. for traditional options.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Corres. Date of payment, Total for last year, Total for this year.

MARKET STATISTICS

ECONOMIC DIARY

TOMORROW: Association of London Authorities, Friends of the Earth, and 100 other pressure groups, protest against London road building programme...

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, Bid, Ask, etc. for various European options.

Table with columns: Series, Vol, Last, Bid, Ask, etc. for various European options.

BANK RETURN

Table showing bank returns for various banks and categories like LIABILITIES, ASSETS, etc.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

BARBADOS

The Financial Times proposes to publish this survey on: 19 JUNE 1989. For a full editorial synopsis and advertisement details, please contact: NIGEL BICKNELL on 01-873 3447

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Share Indices for various equity groups and sub-sections, including Highs and Lows Index.

FIXED INTEREST

Table showing fixed interest rates for various terms and currencies.

Operative index 2091.1, 10 am 2092.9, 11 am 2088.1, noon 2081.4, 1 pm 2082.2, 2 pm 2084.6, 3 pm 2092.6, 3.30 pm 2093.7, 4 pm 2099.0 (a) 4.51pm (b) 9.42pm

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A FINANCIAL TIMES SURVEY

1st NOVEMBER 1989

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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The offer is A\$ 1.40 per ANI share

Brokers to the ConsPress offer and issuers of this advertisement

CAPEL COURT POWELL LIMITED

MEMBER CORPORATION OF AUSTRALIAN STOCK EXCHANGE LIMITED MEMBER OF THE SECURITIES ASSOCIATION

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INTERNATIONAL COMPANIES AND FINANCE

DAF issue oversubscribed after keen Dutch interest

By Laura Roun in Amsterdam

THE international share issue by DAF, the Dutch truck maker which is 40 per cent owned by the Rover car group of the UK, has been massively oversubscribed, with investors putting in applications for £16.86bn (\$7.6bn) worth of shares.

The company, one of the top five European truck makers, said yesterday that its £14.5bn issue had been more than 20 times subscribed. Demand for the shares from Dutch investors, which are not barred from using multiple applications, was particularly heavy.

Trading in Amsterdam and London will start on Monday after allocation of the 17.9m shares on offer at £147 each.

Koor debt repayment deal agreed by creditors

By Hugh Carnegie in Jerusalem

BANKERS TRUST of New York yesterday withdrew a court application to wind up Israel's troubled Koor Industries, the country's biggest foreign and domestic creditors signed a debt repayment and recovery plan for the group.

The move to liquidate Koor, which has been hit by heavy losses and debts of \$1.25bn, was filed in Israel last October. The intervening months were marked by intense wrangling between Koor and its creditors, and about a \$300m when it was a debt rescheduling programme and a recovery plan were worked out.

The agreement was in doubt up to the last minute as lawyers in Tel Aviv struggled to secure the last agreement of participating banks before the court deadline of noon.

Bringing a baron to the marquee Louise Kehoe on a wine maker's yearly meeting - California style

By Alan Hopper

It was, as Baron Eric de Rothschild noted, a most unusual annual shareholders' meeting. As the sun shone and the aroma of sizzling fillet steak wafted through the huge marquee, the officers of the Chalonne Winery, the only publicly held premium winery in the US, dispensed with the customary formalities as quickly as others shed their jackets.

Sales and earnings for the first quarter were "a little down", Mr Bill Hamilton, chief financial officer, acknowledged. But 1988 was a vintage year and the dry spring of 1989 was perfect for grape growing.

Nixdorf confirms further losses

By Andrew Fisher in Frankfurt

NIXDORF, the West German computer company which slid into the red last year, said yesterday it had continued to make heavy losses this year but held out hope that the second half would bring an improvement.

In response to an article in Wirtschafts Woche, a weekly German business magazine, it confirmed that the pre-tax loss in the first quarter was DM148m (\$74.7m).

This trend had continued in the second quarter. After extensive efforts to cut costs and improve sales, however, Nixdorf said that the second half would produce an operating profit.

Japanese machine tool makers ahead

By Ian Rodger in Tokyo

JAPAN'S TOP machine tool makers all made profits in the year to March, for the first time in three years.

The companies benefited from a strong home market and brisk demand in most foreign markets in spite of voluntary export restraints in force to the US and elsewhere.

Turnover was up 13 per cent to ¥108.9bn, as sales of machine tools, plastic moulding machines, diecasting and printing equipment overcame weakness in demand for precision machinery and semiconductor-making and food equipment.

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WORLD COMMODITIES PRICES

Table with columns: WEEKLY PRICE CHANGES, Latest prices, Change on week, Year ago, High 1989, Low 1989. Includes Gold, Silver, Copper, Lead, Zinc, Tin, etc.

WORLD COMMODITIES PRICES

Table with columns: LONDON METAL EXCHANGE, Class, Previous, High/Low, AM Official, Korb close, Open interest. Includes Aluminium, Copper, Lead, Zinc, Tin, etc.

WORLD COMMODITIES PRICES

Table with columns: SOYBEAN OIL, Class, Previous, High/Low. Includes Soybean Oil, Soybean Meal, Soybean Flour, etc.

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US MARKETS

RELEASE OF THE US unemployment data depressed the dollar helped firm the precious metals, with a late rally towards the close on mixed buying.

US MARKETS

Cattle prices fell 70 cents basis June as lower cash prices pressured futures. Pork bellies and hogs were lukewarm. The grains ended the week quietly.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Employment figures hit dollar

THE US dollar spent an eventful day in currency markets yesterday, finishing sharply down from Thursday's close as sellers gained the upper hand in very thin trading.

The mood of the market started on a very uncertain note ahead of the release of US employment data for May. A rise of 101,000 in non-farm payroll employment was almost half the expected increase, and investors immediately took the view that the US Federal Reserve would see a greater opportunity to ease monetary policy. This was underlined by a cut in the prime rate of a US provincial bank to 11 per cent from 11 1/2 per cent.

But the US unit soon bounced back from the day's lows although the recovery proved to be short lived, and the US unit fell back to finish at its lowest level for two weeks against the West Ger-

man D-Mark at DM1.9575 from DM1.9630 on Thursday. It was also weaker against the yen at Y141.75 from Y142.70. Elsewhere, it finished at SF1.6850 from SF1.7040 and FF16.8450 compared with FF16.7275. On Bank of England figures, the dollar's exchange rate index fell from 72.9 to 71.8.

Some traders suggested that the dollar is likely to find good support at around the DM1.9500 level, while others expect the administration to allow interest rates to decline as part of the US contribution towards bringing the dollar down and helping to reduce global trade imbalances.

Further evidence that the dollar may be on a downward path was provided by a fall in Euro-currency interest rates, where three-month Euro-dollars were lower by one eighth of a point overnight, showing a fall of three eighths of a point to 9 1/8 per cent over the past two weeks.

Sterling continued to edge higher as investors regained some degree of confidence in the pound. Many analysts feel that the pound is still vulnerable and that further downward pressure may come towards the end of the month. This is when the next batch of important UK economic data is due for release.

Yesterday, the pound's exchange rate index rose to 92.5 from 92.4 on Thursday, although its close was down from an opening level of 92.6. Against the dollar, sterling rose to \$1.5820 from \$1.5790. It was slightly weaker against the D-Mark at DM2.1125 from DM2.1000 but moved up against the yen to Y248.70 from Y234.50. Elsewhere, it finished at SF2.6825 from SF2.6800 and FF10.5775 compared with FF10.5825.

May monthly averages against the dollar are sterling 1.5825; D-Mark 1.9420; and yen 158.02.

6 IN NEW YORK

Table with 3 columns: Date, Last, and Bid/Ask prices for various currencies.

STERLING INDEX

Table showing Sterling Index values for various dates and currencies.

CURRENCY RATES

Table of currency rates for various countries including Sterling, US Dollar, and others.

CURRENCY MOVEMENTS

Table showing currency movements and percentage changes for various currencies.

OTHER CURRENCIES

Table of other currency rates including Australian Dollar, Canadian Dollar, etc.

FORWARD RATES AGAINST STERLING

Table of forward rates against sterling for various currencies.

MONEY MARKETS

UK rates steadier

UK INTEREST rates were barely changed yesterday ahead of the weekend. There was some relief that US employment data came out showing a smaller than expected rise, and this helped to reduce fears of another possible increase in UK rates.

Three-month interbank money was quoted at 14-13 1/2 per cent from 14-14 1/4 per cent. The Bank of England forecast a surplus of around £300m. Factors affecting the market

UK clearing bank best lending rate 14 per cent from May 24

Included bills maturing in official hands and a take up of Treasury bills, together with repayment of any late assistance draining £187m and a rise in the note circulation of £300m. These were more than offset by Exchequer transactions which added £840m and banks' balances brought forward £170m above target.

The forecast was revised to a surplus of around £300m, but the Bank gave no assistance in the morning. In the afternoon, a further revision took the surplus to £250m, and the Bank took out the excess liquidity by selling £260m of Treasury bills at 13 1/4-13 1/2 per cent, maturing on June 23.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table of dollar spot and forward rates against the dollar.

POUND SPOT - FORWARD AGAINST THE POUND

Table of pound spot and forward rates against the pound.

EMS EUROPEAN CURRENCY UNIT RATES

Table of EMS European Currency Unit rates.

EURO-CURRENCY INTEREST RATES

Table of Euro-currency interest rates.

EXCHANGE CROSS RATES

Table of exchange cross rates between various currencies.

FT LONDON INTERBANK FIXING

Table of FT London interbank fixing rates.

MONEY RATES

Table of money rates for various currencies.

LONDON MONEY RATES

Table of London money rates.

NEW YORK

Table of New York money rates.

TRADING BILLS

Table of trading bills.

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FINANCIAL TIMES GUIDE TO UNIT TRUSTS

Why should you become a unit trust investor? Will a unit trust perform better than a building society account? Why unit trusts rather than shares? This guide answers these and other questions and outlines all you need to know to make an informed investment decision about unit trusts.

Order form for the Financial Times Guide to Unit Trusts, including fields for name, address, and payment details.

LEGAL NOTICES

Legal notices regarding court proceedings and company matters, including references to the High Court of Justice and the Companies Act 1985.

EDUCATIONAL

Advertisement for 'GIEL IN FRANCE' educational program, featuring a picture of a French town and text about learning French through immersion.

PERSONAL

Advertisement for 'AUTHORS' book publishing, offering services for authors to get their books published and distributed.

FUTURE OF EUROPEAN CAPITAL MARKETS

Survey on the future of European capital markets, published by the Financial Times, with contact information for Richard Willis or Gillian King.

WORLD STOCK MARKETS

NEW YORK 3pm

Table of New York stock market data including Dow Jones, S&P 500, and various industry indices.

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NEW YORK DOW JONES

Table showing Dow Jones index performance for New York, including historical data and current values.

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CANADA TORONTO

Table of Canadian stock market data for Toronto, including major indices and company performance.

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NEW YORK ACTIVE STOCKS

Table of active stocks in the New York market, listing company names and their respective stock prices.

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AUSTRIA

Table of Austrian stock market data, including company names and prices.

FRANCE

Table of French stock market data, including company names and prices.

GERMANY

Table of German stock market data, including company names and prices.

ITALY

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NETHERLANDS

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Base values of all indices are 100 unless otherwise stated. All figures are in US dollars unless otherwise stated. All figures are in US dollars unless otherwise stated.

WORLD STOCK MARKETS

AMERICA
Dow surges amid delight over May jobs figures

THE RACERLY awaited May employment figures delighted both bond and equity investors on Wall Street and pushed stock prices to new post-crash highs, writes Andrew Kalotay in New York.

By 3 pm the Dow Jones Industrial Average was 20.95 up at 2,615.8, well above its post-crash closing high of 2,602.62 in early May, although still somewhat below its intraday high of around 2,620.

ASIA PACIFIC
Nikkei slumps as sellers ignore good news

Tokyo
AN IMPROVEMENT in the external environment failed to inspire much enthusiasm yesterday, and share prices plunged as investors took profits on heavy-based selling spree, writes Michiko Nakamoto in Tokyo.

Italy sticks in doldrums as foreigners look elsewhere

The fundamentals that once drove the Milan bourse are no longer present, writes Alan Friedman

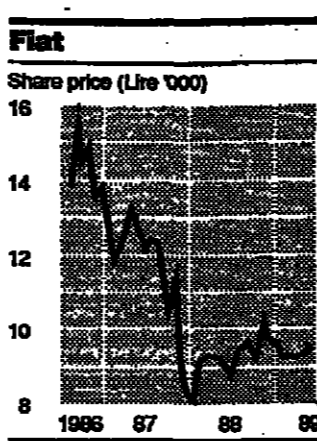
HERE used to be a time, not so very long ago, when the mere mention of Italian equities brought a contented twinkle to the eyes of fund managers and analysts from London to Wall Street.

Unit trusts, once the locomotive of the boom, have been suffering from chronic redemptions and their total funds of L48,290bn (\$33.5bn) are 12 per cent less than a year ago.

EUROPE
Chirpy bourses reach high note as strong week ends

A STRONG week in Europe closed on a high note, with all the leading markets moving up briskly in active trading, writes Our Markets Staff.

Having shaken off concerns about inflation and interest rates, investors have spent the week focusing on optimistic economic and corporate news and the market has risen by 3 per cent.



Share price (Lire 000)

clothing company's performance is palpable. Fiat is another story, and indeed this week the Turin-based car maker dominated Milan with record net profits of more than L3,000bn and the announcement of plans for a L1,000bn share buy-back.

AMSTERDAM
Individual stocks sharply higher

Individual stocks sharply higher. Ciba-Geigy bearers surged 5F230, or 6.3 per cent, to 5F2,900.

at the top have been full up with shares. The problem, say analysts, is one of excess supply.

Deutsche Bank suffered a fiasco in its placing of \$2bn of ex-Libyan shares and now considers its own 2.6 per cent stake a "permanent participation."

STOCKS
Individual stocks sharply higher

Individual stocks sharply higher. Ciba-Geigy bearers surged 5F230, or 6.3 per cent, to 5F2,900.

car maker in Europe at reducing costs and improving market position, "it is difficult to see what more good news can come."

Aside from Fiat, the big story in Milan is undoubtedly in banking. A wave of takeover and merger plans has galvanised interest and this is the sector that has most appealed to foreign investors.

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Individual stocks sharply higher

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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for National and Regional Markets, Thursday June 1 1989, and Wednesday May 31 1989. Includes indices for Australia, Austria, Belgium, Canada, Denmark, Germany, Hong Kong, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, and USA.

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Financial Times Guides to Investment & Financial Planning

Advertisement for Financial Times Guides. Includes sections: FT Guide to Unit Trusts, Investor's Guide to the Stockmarket, FT Guide to Investment Trusts, Private Investor's Ledger, FT Guide to Alternative Investments, and FT Guide to Unit Trusts (repeated). Each section includes a brief description and price.

LONDON STOCK EXCHANGE Dealings

Details of business done show below taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.
Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tailsmen system. They are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 53(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

† Bargains at special prices. ‡ Bargains done the previous day.

Corporation and County Stocks

London County 2 1/2% Corp Sd 182000
after - 235 (20M/89)
Greater London Council 5 1/4% Sd 9052 - 237 1/2
Manchester City 11 1/2% Red Sd 2007 - 110 (21M/89)
Manchester Corp 8 1/2% Red Sd 2007 - 110 (21M/89)
Manchester Water 11 1/2% Red Sd 2007 - 110 (21M/89)
North London 11 1/2% Red Sd 2007 - 110 (21M/89)
Westminster 11 1/2% Red Sd 2007 - 110 (21M/89)
UK Govt Stock
10% Red Sd 2007 - 110 (21M/89)
4 1/2% Red Sd 2007 - 110 (21M/89)

Foreign Stocks, Bonds, etc - (coupons payable in London)

Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)
Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)
Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)
Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)

Registered Housing Associations

Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)
Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)
Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)

Commercial, Industrial, etc

Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)
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Sterling Issues by Overseas Borrowers

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Grain Processing Corp 10 1/2% Sd 1850 - 110 (21M/89)

Banks and Discount Companies

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Breweries and Distilleries

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MAGAZINE PUBLISHING

The Financial Times proposes to publish this survey on:
23rd June 1989

For a full editorial synopsis and advertisement details, please contact:
Neville Woodcock
on 01-873 3365

or write to him at:
Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

SPANISH BANKING Finance & Investment

The Financial Times proposes to publish this survey on:
22nd June 1989

For a full editorial synopsis and advertisement details, please contact:
Mr Richard Oliver
on Tel Madrid 577 09 09 or write him at Financial Times

Serrano St, 28001 Madrid Fax number: Madrid 564 18 92

Alternatively
Sandra Lynch
Number One Southwark Bridge London SE1 9HL Tel: 01-873 4199

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

LONDON STOCK EXCHANGE

Late rally as trading account closes

A HIGHLY volatile session in the UK securities markets saw equities struggle back above the FT-SE 2,100 mark in late trading as attention shifted between reports of planned changes in the operation of UK monetary policy and the prospects for lower interest rates in the US.

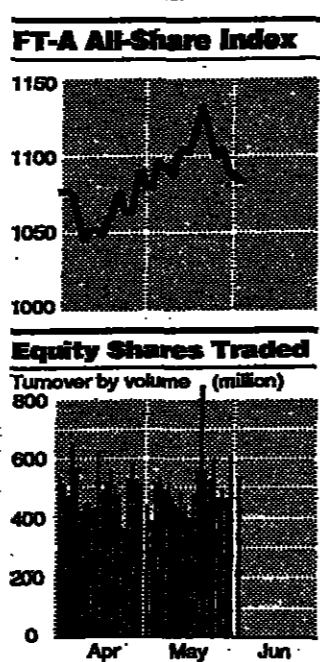
The early slide, which took the FT-SE index down 23 points to 2085.5, was accumulated when another UK house tried to place lines of stock taken aboard as part of a trading programme earlier in the week.

The setback of the past fortnight has reflected an abrupt turnaround in London market views on domestic interest rates, driven home as UK base rates were raised by a further point to 14 per cent without stemming a slide in sterling.

Pearl stake hints

Pearl Assurance shares were among the market's best performers yesterday after news that Australian Mutual Provident (AMP), the Australian insurance group, had bought the 13.2 per cent stake built up over the past few months by its fellow down-under group FAI Insurance.

AMP paid 41p a share for the FAI stake, costing it close on £100m. Together with a 4.5 per cent stake that AMP has held for around two years, the latter now speaks for 17.7 per cent of the UK life group.



full of hints that news of a sizeable property disposal is imminent. Wimpey drifted off 4 to 27p on 2.4m with dealers still taking the view that Thursday's big activity had represented the sale of around half the stake previously held by the Australian group FAI.

Among mixed Stores those stocks that have recently underperformed the sector staged minor rallies, with several boosted by demand ahead of dividend payments on Monday.

active to the market, and finally a fraction up on balance at 175 1/2p. Dealers said there were a couple of buy recommendations around for Gas which had booked turnover in a good 10m shares; "they've had a bad time of it recently, they're probably due a small rally," said one trader who pointed out that the group's preliminary figures are due next Tuesday.

BAT Industries continued to climb on US interest and widely mentioned upwards valuation of the company of \$20 a share, said to have been suggested by Goldman Sachs. UK dealers quickly gave their own break-up estimates; they varied between 29 and the US figure, which at a sterling equivalent came in around £13.50.

NEW HIGHS AND LOWS FOR 1989. On Friday: British Funds 20, 61, 5, 43, 388, 20. On the week: British Funds 20, 61, 5, 43, 388, 20.

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COMMODITIES

WEEK IN THE MARKETS

Prodigal son returns to the LME

THE LONDON Metal Exchange this week celebrated the return of its prodigal son. Three-and-a-half years after the collapse of the International Tin Council price support operation had led to the suspension of LME trading in tin, a revamped contract - with a higher grade and a dollar quotation - made its long-awaited appearance of Thursday.

The special high grade cash price dropped £190 to \$1,585 a tonne. Copper fared little better during the latter part of the week, but thanks to a £100 rise on Tuesday - reflecting an unexpectedly large fall in LME warehouse stocks - its overall decline was only \$24 to \$1,578 a tonne for cash metal.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 based on Thursday June 1. Agencies +34.10, Transport +30.85, Building Materials +24.83, etc.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jun, May, Year, High, Low, 1989, Since Completion. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines.

S.E. ACTIVITY

Table showing S.E. Activity indices for Jun 1, May 31. Rows include Gilt Edged Bargains, Equity Bargains, etc.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for major stocks. Columns include Stock, Value, Qty, etc.

Marketmakers were caught short in BET as the market recovered in the late afternoon, leaving the shares 18 ahead to 283p. De la Rze, the banknote to printing equipment group, climbed steadily through the day after the revelation that Societe Financiere de Geneve, the Swiss holding company for Mr Carlo de Benedetti, had increased his stake to more than 5 per cent. It closed 6 ahead at 515p.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds. Columns include Coupon, Bid Date, Price, Change, Yield, Week, Month.

APPOINTMENTS

PILKINGTON has appointed Mr David Roberts as chief executive of the newly-formed new business division. He was chief executive of Pilkington Visioncare, and remains chairman. He is succeeded as chief executive by Mr John Heine at Visioncare's California headquarters.

FT UNIT TRUST INFORMATION SERVICE

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Income, Abbey Growth, etc., with columns for name, price, and other details.

Table listing unit trusts under the heading 'CCL Unit Trusts Ltd (1200IF)', including CCL Growth, CCL Income, etc.

Table listing unit trusts under the heading 'Equity Star Unit Trusts Ltd (1200IF)', including Equity Star Growth, Equity Star Income, etc.

Table listing unit trusts under the heading 'Global Asset Management (1200IF)', including Global Growth, Global Income, etc.

Table listing unit trusts under the heading 'Level & General', including Level Growth, Level Income, etc.

Table listing unit trusts under the heading 'Midland Unit Trusts Ltd - Contd.', including Midland Growth, Midland Income, etc.

Table listing unit trusts under the heading 'Provisional Mutual Unit Trusts Ltd (1200IF)', including Provisional Growth, Provisional Income, etc.

Table listing unit trusts under the heading 'Smith & Williamson Unit Trusts Ltd (1200IF)', including Smith & Williamson Growth, Smith & Williamson Income, etc.

INITIAL CHANGES: This supplement is published on a regular basis... It is intended to provide investors with the most up-to-date information on unit trust prices.

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for company name, unit price, and other financial data. Includes sub-sections like 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information, organized by company and region. Includes columns for company name, unit price, and other financial metrics. Key sections include: Prudential Life Assurance Co Ltd, Scottish Equitable Life Assn, Standard Life Assurance Co Ltd, and various international trust services.

MANAGEMENT SERVICES

David M. Aaron (Personal Fin. Pln.) 020-25212
The Old Town Hall, London WC1E 7HT
020-25212

OFFSHORE AND OVERSEAS

Guernsey (SIB RECOGNISED)
01-292-2222

LUXEMBOURG (SIB RECOGNISED)

01-292-2222

JERSEY (SIB RECOGNISED)

01-292-2222

JERSEY (**)

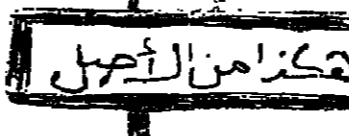
01-292-2222

SWITZERLAND (SIB RECOGNISED)

01-292-2222

GUERNSEY (**)

01-292-2222



FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

Table of London Share Service listing various share funds, including British Funds, Commonwealth & African Loans, and Foreign Bonds & Rails.

Table of Money Market Bank Accounts listing various bank accounts and their interest rates.

Table of Money Market Trust Funds listing various trust funds and their performance metrics.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

AMERICANS - Contd

Table listing American companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS - Contd

Table listing companies in the building, timber, and roads sectors with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sectors with columns for Stock, Price, and other financial metrics.

ENGINEERING

Table listing engineering companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies with columns for Stock, Price, and other financial metrics.

CANADIANS

Table listing Canadian companies with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies with columns for Stock, Price, and other financial metrics.

INSURANCES

Table listing insurance companies with columns for Stock, Price, and other financial metrics.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

HOTELS AND CATERERS

Table listing hotels and caterers companies with columns for Stock, Price, and other financial metrics.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and other financial metrics.

HIRE PURCHASE, LEASING, ETC

Table listing hire purchase, leasing, and other companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.)

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

INSURANCES - Contd

Table listing insurance companies and their share prices, including Axa, Allianz, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table listing paper, printing, and advertising companies and their share prices.

TEXTILES

Table listing textile companies and their share prices.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land companies and their share prices.

OIL AND GAS - Contd

Table listing oil and gas companies and their share prices.

MINES - Contd

Table listing mining companies and their share prices.

LEISURE

Table listing leisure companies and their share prices.

PROPERTY

Table listing property companies and their share prices.

TOBACCO

Table listing tobacco companies and their share prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their share prices.

OVERSEAS TRADERS

Table listing overseas traders and their share prices.

PLANTATIONS

Table listing plantation companies and their share prices.

TEAS

Table listing tea companies and their share prices.

MINES

Table listing mining companies and their share prices.

THIRD MARKET

Table listing third market trading and their share prices.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their share prices.

Commercial Vehicles

Table listing commercial vehicle companies and their share prices.

Components

Table listing component companies and their share prices.

Garages and Distributors

Table listing garage and distributor companies and their share prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher companies and their share prices.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies and their share prices.

SHIPPING

Table listing shipping companies and their share prices.

SHOES AND LEATHER

Table listing shoe and leather companies and their share prices.

SOUTH AFRICANS

Table listing South African companies and their share prices.

OIL AND GAS

Table listing oil and gas companies and their share prices.

FINANCE

Table listing finance companies and their share prices.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks and their share prices.

TRADITIONAL OPTIONS

Table listing traditional options and their prices.

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FINANCIAL TIMES

Weekend June 3/June 4 1989

Royal Brierley THE FINEST ENGLISH FULL LEAD CRYSTAL

Uno elected Japanese PM despite protests

By Stefan Wagstyl in Tokyo

MR SOUSUKE UNO, the Japanese Foreign Minister, yesterday took over from Mr Noboru Takeshita as Prime Minister, ending a month-long succession quest by the scandal-ridden ruling Liberal Democratic Party.



Sosuke Uno: reform top of domestic agenda

Mr Uno, 66, as the new leader of a deeply divided party, will immediately face serious problems, with political reform top of the domestic agenda and a string of overseas trade issues to be tackled. He was elected yesterday despite opposition from dissidents in his party who had demanded a more independent-minded prime minister committed to radical political reform.

The protests did not bode well for Mr Uno, whose main task will be to unite the party behind a political reform programme which will convince the public. The first big test will come in elections to the

upper house of the Diet, the Japanese parliament, in July. The LDP's dissidents argue that the party is taking insufficient notice of widespread public anger at the Recruit scandal.

A sign of the leadership's determination to resist radical change came last night with news of appointments to Mr Uno's Cabinet and to senior party posts.

As well as Mr Takeshita, Mr Abe and other senior figures resigned, as they had previously indicated. However, their posts were filled strictly on traditional lines, the jobs carefully shared between the factions.

Mr Ryuzo Hashimoto, a close aide to Mr Takeshita, becomes party secretary general. Aged 51, he is one of the youngest men to hold a senior party post.

Mr Masajuro Shiokawa, a 67-year-old former education and transport minister and a mem-

ber of Mr Abe's faction, takes the key job of Chief Cabinet Secretary. Mr Hajime Tamura, a former Minister for International Trade and Industry, becomes speaker of the Diet's lower house in succession to Mr Kenzaburo Hara, who was forced to resign because of opposition party criticism about the way he handled Recruit-related debates.

Among the posts with the greatest influence over foreign relations, Mr Tatsuo Murayama, aged 73, remains in post as finance minister, a job he acquired only five months ago in Mr Takeshita's last reshuffle.

Mr Hiroshi Mitazuka, 62, moves from the Ministry for International Trade and Industry to the Ministry for Foreign Affairs. The new MITI minister is 63-year-old Mr Setroku Kajiyama, who has many years experience of the ministry's work through membership of

parliamentary committees which supervise it. However, the impact of these changes on foreign policy will be limited by the dominant influence of the Japanese bureaucracy. Mr Uno's main task will be to convince foreign leaders that Japan's internal ructions will not distract her from honouring her international commitments, particularly in the field of economic policy-making.

Transport disruption likely to spread

By Jimmy Burns, Labour Staff

INDUSTRIAL disruption in Britain's transport sector seems likely to spread over the next three weeks with strikes threatened by unions representing thousands of staff on London Underground, London buses and British Rail.

The National Union of Railwaysmen yesterday followed the drivers' union Aslef in calling a strike ballot of 2,000 drivers and guards on London Underground in a dispute over pay linked to flexible working.

The NUR, the biggest rail union, is already balloting its London Underground membership of 10,000, including signmen and supervisory and platform staff, in a separate dispute over the introduction of "action stations" which also involves radical staffing changes.

The results of the two ballots and that of Aslef's are likely to be known around June 12. This will coincide with the announcement of the result of a further ballot, which began last month, of 75,000 British Rail NUR members.

The ballot at BR, which calls for a campaign of industrial action, including 24-hour nationwide strikes "if necessary", began last month. It was called after BR imposed a 7 per cent pay increase and announced its decision to end

the 80-year-old national negotiating machinery. Union officials last night predicted that all four ballots would show widespread rejection of both London Underground and BR's proposals.

They are understood to be planning to co-ordinate a campaign of industrial action, partly to try to regain control of members who have staged unofficial action, and partly to exert the maximum pressure on management.

If the strikes go ahead, it will be the first time that industrial action on both London Underground and British Rail nationally have coincided since 1982. The action may be underpinned by further strikes involving London bus drivers in support of a 14 per cent pay claim.

London Underground unions are seeking a 24 increase in basic pay to compensate drivers for more responsibility on driver-only trains.

On British Rail, unions want substantial increases in basic pay and have rejected management efforts to introduce more flexible pay arrangements linked to local bargaining. The transport industry problems underline the way uncertainty over inflation has reinforced union resistance to more flexible payment systems and working practices.

AMP raises its stake in Pearl to 18%

By Patrick Cockburn

THE Australian Mutual Provident Society yesterday raised its shareholding in Pearl Group, the UK life insurer.

Shares in Pearl Group rose to 430p, signalling the market's belief that the move might be the prelude to a bid by AMP, the largest life group in Australia.

AMP, which bought the 13.2 per cent shareholding from FAI Insurances, said yesterday that it had simply taken the opportunity to add to its existing shareholding and declined comment on bid speculation. It said it paid FAI 418p per share which values the Pearl Group at £752m.

Earlier in the year, AMP successfully merged with London Life, the life insurer, after four months of court battles and strong resistance from some policyholders.

In Australia, AMP has 30 per cent of the life assurance market where it has operated since 1845 and it is the country's largest property owner.

It said it made a strategic decision to expand abroad, concentrating on life assurance, arguing that there was little scope for growth at home where it faces strong competition.

It aims to have half its business off-shore within five years. Pearl Group, which has a market capitalisation of £753m, has long been seen as a likely target for a takeover bid.

Although it made the 15th biggest among UK life assurance companies, it has a strong network of 6,000 agents selling insurance directly to the public through door-to-door visits to customers.

It is also seen as having a conservative attitude towards distributing profits on investment to shareholders and policy holders and has been slow to expand into selling other financial services. Its pre-tax profits rose 37 per cent to \$86.2m in 1988 over the previous year.

Mr Nigel Proddow, Pearl's chief general manager, said yesterday: "We are quite happy to see AMP as a large shareholder. These are people with whom we get on reasonably well. They have always said that they want a long term shareholding."

He added that Pearl would have further discussions with AMP next week.

Growth in US jobs less than forecast

By Anthony Harris in Washington and Janet Bush in New York

US EMPLOYMENT growth fell further in May, well below the consumer price increase - are thought to be the most significant.

The Federal Reserve is especially concerned with any tendency for oil and other prices to increase to feed back into domestic costs.

The payroll employment figures, on which market analysts concentrate, are collected from industrial establishments, and the parallel household survey suggests that the economy is still softer than the main figures indicate.

This shows a growth of 500,000 jobs this year compared with 750,000 from the establishment's survey.

The difference is largely explained by a steady monthly fall in self-employment, which has fallen by 300,000 in the last year, with two thirds of the fall in 1988.

US Treasury bond prices either ready or willing to bid for the Pearl. But at least it appears to have the means to do so, which is more than could have been said about the former stakeholder, FAI.

With around £150m in free reserves in its balance sheet, AMP could theoretically afford to pay £18m or so for the Pearl. And though AMP was at pains to assure London Life policyholders that its main vehicle for UK expansion would be London Life itself, the Aus-

hourly pay has risen only 3.8 per cent in the last year - well below the consumer price increase - are thought to be the most significant.

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Table with 3 columns: Location, Price Change, and Amount. Includes Frankfurt, New York, Tokyo, Paris, London, and Worldwide Weather.

Table with 4 columns: City, Day, Price Change, and Amount. Lists various cities like London, New York, Tokyo, etc.

UK reserves

Continued from Page 1

can to try to conceal the full amount and the extent to which it was intervening to stop the currency falling.

However, the size of the fall may mean last week's decision to raise base rates by one percentage point to 14 per cent reflected a judgment that the momentum behind sterling's fall was too great to stop by intervention. Yesterday the Treasury said the use of intervention or interest rates to support sterling was a tactical judgment.

Peking

Continued from Page 1

ers reflected the tension in the city yesterday following an obvious increase in the military presence. An estimated 200,000 troops have been waiting on the outskirts of the Chinese capital since the declaration of martial law two weeks ago.

Hours before the reports of troop movements, students and intellectuals announced a series of 72-hour hunger strikes in the square until China's parliament, the National Peoples Congress, demands a democratic reform on June 20. Deng appeared to be struggling to maintain control of the group of hard-line old men he called on to shore up his position and quell the demonstrations.

Deng, widely rumoured to be out of Peking in his home province of Sichuan, retains the final say, but it appeared his authority was being undermined by an elderly chief led by President Yang Shangkun, who not only want to end the student uprising, but also use the crisis to turn back the clock on Deng's economic reforms and tolerance of Western ways.

UK reserves

Continued from Page 1

The underlying change in reserves reflects a variety of government transactions and provides only a rough guide to the scale of intervention. It excludes intervention earlier this week. At the end of May, total reserves stood at \$46.09bn.

Throughout the week, sterling has been dogged by speculation about a rift between Mr Nigel Lawson and Mrs Margaret Thatcher over economic policy. There has been speculation of a shift from exchange rate management and towards broader monetary control.

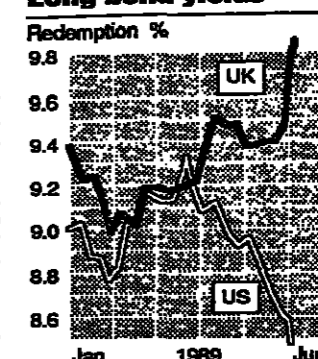
The uncertainty was highlighted on Thursday when Mr Lawson, in Paris for an Organisation for Economic Co-operation and Development meeting, was forced to deny there was a "hard landing" in which stagnant output is combined with high inflation.

Department of Trade and Industry figures showed another fall in company liquidity towards a "hard landing" in which stagnant output is combined with high inflation.

London's domestic difficulties

Yield Index down 0.1 at 1748.5

Long bond yields



Yield Index down 0.1 at 1748.5. Yesterday saw the London equity market gripped by opposing forces: fears for the UK economy and hopes for the US. In the morning, the talk was all of downgraded profit forecasts and the Government's funding programme; in the afternoon came the surprising US employment figures, a leap in US bond prices, and immediate hopes of lower US interest rates next week.

The implications of all this for UK equities are tricky to disentangle. If the US economy is slowing nicely, the corresponding drop in US bond yields and the dollar ought to reduce the pressure for 15 per cent base rates; but what if West Germany decides to raise its own rates after all? And what if, despite yesterday's jump in US bonds, Wall Street is still overvalued in terms of the yield ratio?

On the other hand, as the recent sharp divergence of US and UK bond yields suggests, London is still more preoccupied with domestic problems than with the global scene. While more and more US broking houses are signing up with the bulls, in London the trend is still the other way.

Hence the reaction to yesterday's burst of pessimism from BZW, which has cut its forecast for economic growth next year from 2 1/2 per cent to 1 1/2 per cent, with correspondingly dire warnings on corporate profits for this year and next.

Indeed, there is room for nervousness about the market's reaction if companies reporting interims in September start to issue warnings about the second half: one has only to think of the punishment handed out to those who have offended already, from Amstrad and Storehouse to Satchell & Satchell.

It is odd to reflect, as the market clings grimly to the 2,100 mark, that it was 100 points higher a fortnight ago with not a seller in sight.

One of the best ways for the smart investor to play the stock market is by investing in the shares of a good fund manager. As the market rises, the fee income earned on the funds under management automatically increases and the cost base should remain nearly steady.

But as demonstrated by this week's results from M&G and Henderson Administration, two of the UK's best known firms, picking the right manager can be almost as difficult as spotting the right share. Henderson has underper-

formed by 45 per cent since the 1987 stock market peak, while Mercury Asset Management's shares have outperformed the market. Henderson, which has considerably more funds under management than M&G, reported a 45 per cent drop in full year profits, to £12.4m, while M&G earned almost as much in its first half-year.

The latter's profits will be another record this year, but it will be a couple of years at least before Henderson's pre-tax profits approach the £26.4m earned in 1987.

The differing records partly reflect relative investment performance and sharply varying cost structures. Henderson was earning three-quarters of its profits from unit trusts at the top of the bull market and has been hit hard by the changing regulations and net redemptions.

M&G, by contrast, has always had a much leaner cost structure, has a far less volatile unit trust business and has a stable cushion in its life assurance operation. Despite this background, Henderson sells at a premium to M&G - which says more about takeover prospects than its future potential.

Japan. It might have been expected that the Tokyo market would find the first rise in the Japanese discount rate since 1980 and the appointment of a caretaker prime minister slightly discouraging.

But the rate rise was wholly expected and neither bonds nor short rates reacted, and the ending of uncertainty about the premiership, coming after the formal winding up of the Recruit investigation, at least gave promise of a period of political torpor. Though the Nikkei index may have fallen 600 points in two days, that was a mere 1.7 per cent decline from Wednesday's all-time peak.

The market's one real worry might be the inflationary impact of the weak yen. It was blunty that the raising of the discount rate coincided with this week's pause in the dollar's progress, making it difficult to read the underlying signs.

But if US rates really are coming down, that could put paid to any lingering worries about a further Japanese rate increase. Given yesterday's sharp rise in US Treasuries, Tokyo fund managers might return to their offices next week in a more bullish frame of mind.

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Weekend FT

SECTION II

Weekend June 3/June 4, 1989

A new dynasty from the heart of Texas

Peter Riddell on how the good ol' boys from Houston rode all the way to the White House

"Texans are America's Americans. They think big and work hard to make big things happen. Texas is as much a state of mind as a place. George Bush may not have been born in Texas, but he is a Texan." Senator Phil Gramm.

LAST WINTER three prominent members of the most exclusive country club in Houston - no photographers and definitely no press allowed - told friends that, unfortunately, they would no longer be able to spend as much time there as they would like. They would be in Washington for the next few years. One was going to become President of the United States, another Secretary of State, and the third Commerce Secretary.

The three - George Bush, James Baker and Robert Mroschbacher - have been close friends for 30 years, as well as business partners in a company which leases liquid petroleum barges in the Gulf of Mexico. With Lamar Cavazos, the Education Secretary, they form the largest Texas contingent in any administration.

There would have been a fifth but for the rejection by the Senate of John Tower as Defence Secretary.

This group - plus many more Texans at a lower level in the White House and throughout the administration - fully matches Lyndon Johnson's Texas mafia of the mid-to-late 1960s and exceeds the California network surrounding former President Ronald Reagan.

When coupled with the power of Texans in the Democratic leadership of Congress, it is no wonder that one aggrieved Midwestern politician recently remarked that there were three parties in Washington - Republicans, Democrats, and Texans. And he knew which was the most powerful.

The strong Texan favour to the administration is all the more remarkable since a generation ago the Republican Party hardly existed in the state. It was dominated then, as it had been since the American Civil War, by Democrats. Senator Phil Gramm - of the Gramm-Rudman deficit reduction law - recalls that the only Republican before him to win his home county in central Texas was a candidate opposing a Democrat who had been indicted, sentenced and imprisoned during the election campaign. And it was still a close race. In 1962, he claims, he elected Wyatt Earp if he had been a Republican.

Yet, in many respects, Texas epitomises Republican pro-business, patriotic values. According to Gramm, a clever and acerbic former economics professor with a folksy drawl, Texas thinks big. And, though the senator does not say so, what things go

wrong they do so spectacularly, as when the oil boom went bust in the mid-1980s. And, more recently, Texans watched the collapse of many savings and loan institutions. Such is the resilience of the state that these problems are quickly brushed aside. It is possible again to sell \$20,000 tables for charity balls.

Houston - the Texas home of the Bush, Baker, Mroschbacher set - represents capitalism and rugged individualism at their most unconstrained. It must be the last big city in the developed world with no zoning laws to provide overall planning guidelines. Proposals for such laws have been regularly rejected as socialist and un-American. The result is a sprawling city with a wide range of buildings, some inspiring, some ugly. The great American architect Philip Johnson has said: "I like Houston. It's the last great 19th-century city. Houston has a spirit about it that is truly American, an optimism. People there aren't afraid to try something new."

David McComb, the city's historian, has noted the pervasive conservatism "of the 19th-century robber baron - exploitative, laissez-faire, and at times generous in philanthropy". He notes he in the Southern heritage of the town, the expansive, opportunistic nature of the area, and the strong business orientation of the economy. It gives to the people a certain bold, reckless, stubborn, independent, and sometimes lawless, attitude which means that the conservatism both helps and hinders the development of the city.

The Democrats ruled supreme until the 1960s. There was a cosy relationship between business leaders like Jesse Jones and George B. Brown, the founder of the Brown and Root construction group, and Democratic politicians. When they came together in suits at the Lamar Hotel in Houston, local - and national - policy was decided.

For all the independent-mindedness of the state it has always looked to Washington for contracts. Hence, it was not entirely coincidental that the manned space centre was sited south west of the city when a local congressman chaired the relevant appropriations committee and when Vice-President Lyndon Johnson ran the National Space Council. Brown and Root did well out of that and out of military construction work during the Vietnam War.

There were not exactly liberal Democrats. At the height of the McCarthyite anti-communist scare of the 1950s, a Democratic governor warned that an order from Moscow could bring Texas to a halt. He summoned the legislature to propose making membership of the Communist Party a crime punishable by the death penalty.

But the Kennedy and Johnson administrations. The first breakthrough came when John Tower won the special election to succeed Lyndon Johnson in the Senate. But in his near 24-year career in that body, Tower always had to fight hard to be elected. The Republicans did not establish any depth in the state until the late 1970s and 1980s. They now account for roughly a third of state and Congressional representatives.

Another Republican pioneer was a certain George Bush. While a longstanding ally of Tower - a debt of loyalty Bush sought to repay by putting his name forward for the Pentagon - they were never close friends. Nor was Bush a protégé of Tower. He always had an independent local base. Bush is, of course, an adopted Texan, as he was born and educated in



Illustration: Chris Duggan

But even that profoundly conservative body thought this somewhat excessive and, instead, decided that the appropriate punishment was 20 years in prison and a \$20,000 fine.

There were always some mavericks - notably Hugh Roy Cullen, a big fan of Senator McCarthy. In his desire to drive out Reds, Cullen personally financed a new school textbook for Houston which stated as a fact that the State Department had given China to Mao and had tricked the US into the Korean War. Yet Cullen was a noted philanthropist, giving away most of his vast fortune.

Republicans were challengers to the established order, assisted by fending between conservative and liberal Democrats and by the growing disenchantment of Texan businessmen with the policies of

"There are now three parties in Washington: Republicans, Democrats, and Texans"

New England. To some he is a carpathian - a displaced peepie. Yet pride in the second Texan president is the dominant view. One of Bush's early campaign themes was "a Texan by choice, not by chance." Unlike the Johnson-era Texans, who were defensive about their background, Bush and his friends flaunt their home state. A favorite hobby is pitching horseshoes. "Texas," he recently said, "certainly stands tall in the heart of this president."

Like fellow north-easterner Robert Mroschbacher, Bush came to Texas in 1948 and spent most of the following 20 years in the oil business. Only James Baker, known locally as Jimmy, comes from a local family, pillars of the Houston legal and banking establishment. But Baker was also educated in the north east - at Princeton as opposed to Bush's Yale. As one delightful Houston grand dame, a self-styled steel magnolia - the widow of an oil wildcatter - remarked: "Old Money in Houston has always sent its boys east to school and college."

Bush and Mroschbacher fitted easily in this Old Money world. Fashionable Houston provides many similarities with the familiar image of the Dallas television serial, which men in cowboy hats and beautifully dressed and outfitted women in the most fashionable shops, this side of Manhattan. But Bush, Baker and Mroschbacher were more discreet. Their world was of hard work, private country clubs and quiet charitable work, avoiding ostentation.

Their Old Money values have a particular Texas twist. They are in favour of business - with more than a nod in the direction of oil and banking; against gun control (both Bush and Baker are hunters); for strong defence; against high taxes and "pro-life" on the abortion issue. John Knaggs reports in his book, *Two-Party Texas*, how Bush has presented a consistently conservative message, though he supported black and other civil rights in the 1960s when that was by no means common in Houston.

For a long time Texas Republicanism was mainly urban - the "soft" Republicanism of Houston/Dallas brand. This has changed under Phil Gramm. Initially a Democrat, he was one of the leading Bull Weevils, the southern Democrats who backed President Reagan's tax cuts in the early 1980s. Then in 1985 he changed party, resigned his House seat, won re-election as a Republican and succeeded John Tower in the Senate in 1984. A self-styled blue-collar or red-neck Republican, Gramm pitches his appeal at working people.

Gramm is subtly different from the Bush set. As a close student of economics

he draws a distinction between being pro-free enterprise and pro-business. He is fully aware of Adam Smith's warnings about the dangers of businessmen combining together. Gramm is a strong believer in competition and free trade, making himself unpopular with the sizeable Texan textile interests when he opposed a protectionist bill which would have helped that sector. And he notes a wave of xenophobic protectionism in Texas.

Talk by Robert Mroschbacher and others about Government/industry partnerships worries Gramm. "It would be as if we were imitating the Soviets, rather than the other way round." He thought these comments might reflect the views of some of Mroschbacher's friends and people in business. As we talked in Gramm's Senate office, Mroschbacher phoned to discuss a date for a fund-raising evening for \$5,000-plus contributors. Gramm told the Commerce Secretary that his latest speeches were "moving in the right direction," away from industrial policy.

Gramm is described by one Democrat friend as "smarter and meaner than a junkyard dog" - is best known for his budgetary initiatives. While accepting that the famous Gramm-Rudman deficit reduction plan has flaws, with the targets regularly exceeded, he claims as a big advance the fact that the Federal Government has become smaller relative to the private sector.

Yet, while Gramm opposes expensive programmes, he believes in Texas getting its share - and more - of what is spent. Similarly, George Bayound, the Governor's Chief of Staff in Austin, notes the number of close connections which the state enjoys in Washington. A phone call to the White House will be answered by a friend and a problem listened to sympathetically.

With all the fervor after the Alaskan oil spill, Texans feel sure that the Bush administration will not do anything to harm the many small oil producers in the state - who have already been assisted by the Budget. For Texans, the oil depletion allowance, a tax break for oil producers, is second only to football in the list of basic beliefs.

Yet for all the talk about free enterprise values and hatred of government intervention there is a paradox, some would say hypocrisy, about the Texan outlook. Washington matters far more than Texan parties like to pretend. The state is heavily dependent on Federal money - for its many military bases, for reviving the fortunes of the space centre in Houston, for funding the new super collider atom smasher project and, most recently, for rescuing the savings and loans industry.

As important as the White House in funding these projects are Democratic leaders from the state in Congress. While Texas has lost one powerful voice with the scaling of House Speaker Jim Wright, the state still has three chairmen of powerful House committees - agriculture, judiciary and banking.

Over in the Senate Lloyd Bentsen, who defeated George Bush in 1970, has enhanced his position after his unsuccessful vice-presidential candidacy last year. As chairman of the Senate Finance Committee he deals with tax, trade and international debt issues - never to be forgotten with debt-ridden Mexico just to the south.

While George Bush may have helped make Texas fashionable again in Washington with Tex-Mex food and a black-tie and-boost party, it is these Democratic leaders who provide the state's continuing influence. They follow the advice of Sam Rayburn, the legendary House Speaker and mentor of Lyndon Johnson, who preached: "Pick 'em right, elect 'em young and keep 'em there."

You can learn to love your mortgage

AN ENGLISHMAN'S home might be his castle but, in the past few months, a Scotsman's has apparently been a better investment. That is probably, however, no more than a temporary sign of a change of trend. There is no need to move to an executive estate in Anchertermochty.

The slowdown in the house price spiral is welcome to many. It marks, you might say, an abatement of the economic oppression of the younger generation by the older age-groups. House prices are bid up when the properties are treated as a store of value. The older generation protects its gains by its control of the planning mechanism: because of the inadequacy of supply of new homes, prices have shot up even in rural areas where land is plentiful.

There is a double effect because the transfer process is financed by loans, the interest on which, at the risk of slight over-simplification, again amounts to a payment from yuppies to wrinkles. The nominal rate of interest has shot up over the past year and could go higher still. However, a kind of economic revenge is available in the shape of inflation. If their standard of living is squeezed intolerably, people in their 20s and 30s will press successfully for offsetting pay increases. Then, those retired rentiers in Eastbourne had better watch out.

In spite of the burdens it imposes, you can learn to love your mortgage. Recently, I had

lunch with one of the newer breed of lenders who, at one stage, referred to a mortgage as a "liability". When I observed that it was actually a liability, he agreed that I was correct formally - but it was a ticket to the acquisition of wealth.

Perhaps I am out of date, but in America householders were supposed to throw mortgage papers when finally they managed to release themselves from the dreadful "dead pledge." But in the UK, millions of people continue to let mortgages run on when they could afford to pay them off. This might be a question of wanting to grab whatever interest tax relief is available, or it might just be inertia. It could also reflect uncertainty about what to do with the deeds if they were ever to come through the letterbox. Any future Chancellor of the Exchequer could shrink the money supply simply by giving homeowners an incentive to pay off their mortgages.

With the growth of endowment mortgages - not to mention pension mortgages and, potentially, of FRP mortgages - there is also confusion between the loan and the savings plan which is designed to pay it off. A "mortgage" as understood commonly might, therefore, amount to a package of several quite distinct financial products. This could be convenient for the borrower but, more cynically, such bundling arises because the lenders find it easier to sell products to customers on one of the



Low interest-rate mortgages of several kinds make a lot of sense - but not, however, as ways of borrowing even more money

few occasions in their lifetimes - buying a house when they venture vulnerably within the walls of a financial institution.

Notoriously large - but

mostly hidden - commissions are payable on mortgage savings contracts. At one stage - the tax relief on life insurance premiums gave some justification for structuring business in this way. But when young borrowers are facing crippling monthly outgoings to service their debt, there seems little sense requiring them to commit themselves to regular savings instalments at this stage of their financial careers. Yet, some 86 per cent are persuaded to do so, according to building society figures.

A much greater priority should be given to smoothing out the real burden of payments. As I have said, inflation is a mechanism by which the borrowing classes can hit back at their voracious tormentors. But the effect is delayed. Very high nominal interest rates at present, of 13 1/2 per cent or so - lead to heavy servicing costs. Only later does inflation erode the real burden of the debt. The overall effect is a very heavy front-end loading of the repayments in real terms. In effect, there is a heavy element of capital repayment rather than just servicing costs in the early instalments.

Inflation of 10 per cent will cut the real size of a loan by half in just seven years. Over the past 25 years, inflation has actually averaged 3.7 per cent a year. If you assume the same will happen during the next quarter-century, a £50,000 debt taken out today will shrink in real terms by 88 per cent to only £5,200 by the year 2014. The life assurance industry has built a vast business on repaying loans when they mature, when that repayment poses scarcely any difficulties.

Relatedly, the industry is beginning to focus on the real front-end, rather than the bogus back-end, problem. Nominal interest rates have been rising historically high levels: in the mid-1970s, when inflation was much higher than it is now, building society mortgages cost only around 11 per cent. With the cartel busted, lenders want the freedom to raise funds at high rates and maintain their lending volumes. Therefore, they have a stronger incentive to design products which defer some of the initial burden.

Low-start mortgages simply provide for the partial deferral of interest payments, and add them to the capital. Foreign currency-denominated loans use a currency such as the DM, with a modest inflation rate and low-nominal interest rates. Index-linked mortgages are based on real interest rates. All of these variations carry the risk that the outstanding balance will rise at a time when house prices could be dropping. But it is only seen as a significant problem because lenders are advancing too high a proportion of the value of housing assets which can fluctuate quite widely in real terms. These more affordable mortgages are ways of borrowing better, not of borrowing more.

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FINANCE & THE FAMILY

The Week Ahead Cold comfort for British Gas

THE UNUSUALLY mild winter is likely to provide a severe constraint on final results from British Gas, which are announced on Thursday.

The weather also will have taken a toll on the fuel distribution division, which accounts for about half the turnover of Powell Duffryn in the year to end-March.

At the interim stage Reed exceeded City expectations with a 21 per cent rise in pre-tax profits to £133.2m and a slightly higher rate of progress is expected for the year.

Most of the newspaper stories recently devoted to Jacob Rothschild have concerned his adventures with Sir James Goldsmith, the corporate raider.

Bodyshop International, perhaps the prototype "green" company, is expected to report suitably healthy figures on Thursday.

Last year, RTZ Capital Partners, an investment trust, was upped of front on the year so this year's annual figures will bear little comparison with last year's results for the whole company.

When Caradon unveils its annual results on Tuesday, the spotlight will be on the performance of Everest, the double glazing company it bought from RTZ a year ago.

Thorn EMI, the entertainment and electronics group, announces its 1988 results on Thursday, with analysts looking for pre-tax profits of around £285m.

If you are an investor and you have already contacted one of the many BES research bodies, you may find this surprising, since the majority view is that this is quite a good idea.

However, Steve Mobbs, a London investment banker and one of the original investors, claims that the deal is not in the best interests of all shareholders.

The proposal is that Britannia should invest £2m in the company by buying a convertible loan stock, paying 6 per cent a year and convertible into shares at any time, at a price of 100p.

However, the original shareholders get no income from their shares. Britannia can convert at any time, so it can do so if the ordinary shares reach £4.00 while paying only £1.00.

If Northern Renewals were wound up, Britannia would get out at 100p, while other shareholders would have to write down their shares.

year forecasts prompted by the effects of lower consumer spending at Rumbelows, the group's retail subsidiary. Food retailer Argyll is in the midst of its programme to integrate its Presto chain with Safeway, which it bought in February 1987.

Despite the travails of other retailers, Boots, the chemist chain and pharmaceutical manufacturer, is expected to report a strong advance in profits for the year ended March when it reports on Thursday.

Tuesday brings tidings of the effects of radical reconstruction measures at Norcross, the industrial manufacturing group which swapped its lease-making builder merchant for a door and window business last December.

On Thursday, Michael Montagu puts on show the first annual results from Yale and expects a full year's contribution from the Yale locks and security products and NuTone domestic appliances companies it bought in 1987.

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COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Table with columns: Company, bid for, value of bid, market price, price of bid, value of bid, bidder. Lists various companies and their financial details.

RESULTS DUE

Table with columns: Company, Announcement date, Dividend (p), Last year, This year. Lists companies and their financial results.

PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit (£'000), Earnings per share (p), Dividends per share (p). Lists companies and their preliminary results.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£'000), Interim dividends per share (p). Lists companies and their interim statements.

RIGHTS ISSUES

Global Group is to raise £7.2m via a two-for-one rights issue. Plaxton is to raise £25m via a four-for-five rights issue.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Kingston Group is to join the USM via a placing that will value the group at £19.5m.

Heather Farnbrough

FINANCE & THE FAMILY

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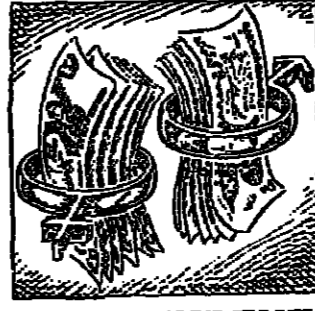
Anthony Casswell looks at the impact of future allowances on those who have retired Planning ahead can save much more

AN Inland Revenue press release in March 1988 said that "when independent taxation starts in 1990-91 many married women, and some married men, will find there is less tax to pay on their incomes."

However, the Inland Revenue based its estimates on tax reductions which will happen automatically. This series of articles has aimed to show how, by careful planning, many married couples will be able to enjoy tax savings several times greater than the Revenue estimates.

It is impossible to cover all individual circumstances comprehensively in the space available. However, some gaps can be filled by answering queries from readers received since the series started.

Several readers pointed out that the figures given in these articles for personal allowances, the age bands for age allowances and the rules for their progressive withdrawal, are at variance with those stated in the Inland Revenue leaflets IR 80, IR 81, and IR 82.



INDEPENDENT TAXATION FOR MARRIED COUPLES

depends on how much income the recipient needs.

A reader aged 76 with a wife of 73 asks whether they will each get a single allowance next year. The answer is yes, like any married couple.

They will also receive a married couple's allowance, which depends on the older age and so will be £2,026. This will be

given to the husband, but if he has insufficient income to make use of it, any unused part can be transferred to his wife.

A wife asked what to do with "a considerable amount of National Savings Certificates (NSC) with five years almost completed" as her National Insurance pension is her only source of income and she wishes to use her single age allowance.

The interest rate in the final year of NSCs from 28th to 32nd issues inclusive is over 10 per cent and worth having. Therefore, the general extension rate is at present a miserable 01 per cent and only increases the value of NSCs after each completed period of three months.

The proceeds could be invested in National Savings income bonds for a high (but variable) income or gilts to yield a fixed income of nearly 10 per cent. Building society or bank deposits should not be considered as the interest is paid net of "composite rate tax," which cannot be reclaimed.

Diary Of A Private Investor

Smart punter can beat unit trusts

JUDGING FROM the unsolicited mail I have received recently, unit trust groups are either desperate to increase their business or they view the market with confidence and are heavily promoting new and existing funds to take advantage of what they hope will be favourable conditions.

However, with a few notable exceptions - such as the M&G Group - most of the groups have recently increased their fees and charges. This has made me even more reluctant to invest in unit trusts.

If a trust manager charges an initial 5 or 6 per cent and an annual charge ranging between 1 to 1.5 per cent of the value of the fund, then in the first year of purchase the value of the unit has to rise by more than 6 per cent to 7.4 per cent before an investor can make a profit.

Would you not be better off buying shares directly instead? Especially in the small print of some unit trust agreements there is a note stating that the management fees can be increased, subject to three months' notice, to as much as 2 per cent.

True, there are certain unit trusts that aim to "track the index" and charge rather lower fees. But surely the objective of a private investor is to beat the index, not merely follow it



I also believe that the unit trust industry will come under increasing pressures from other forms of investment, and that there will eventually be a number of mergers, amalgamations and changes of character of particular funds.

Investors in a public quoted company have a say - by exercising their voting rights - as to whether that company is taken over or merged with another. Quite often the holder of units in a UK-based unit trust has little or no say at all about whether the trust will be merged with another or have a change of owner or manager.

where it is difficult for private investors to obtain direct shareholdings.

Some years ago I invested directly in a Japanese company, but soon sold my holding due to the difficulties of following its progress, inability to read its Japanese reports, and disgust at the rigmarole required in having to hold a share certificate in Japan rather than in the UK.

Unit trust managers also have - like other City institutions - an advantage over private investors in that they have almost instant access to certain company information.

For example, all public quoted companies have to make important announcements - such as details of their profits, and takeover offers - direct to the stock exchange before circulars can reach investors.

Those with access and time to watch stock exchange screens can see this information first and can mark the shares down (or sell them) before the average private investor even knows what the results are, let alone have time to consider whether the company remains a good investment.

Kevin Goldstein-Jackson

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Table with 4 columns: Maximum Income Account Series I, Maximum Income Account Series II, Premium Share Account, and Variable Rate. It lists interest rates for various terms like 3 Year Term Share and 2 Year Term Share.

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Cut out of her father's will

MY FATHER, a widower in his late 80s, quarrelled with my only sister (I have no brothers) and cut her out of his will. I am executor with the solicitor, and my father has several times reminded us of his wish that my sister should receive nothing.

I am principal beneficiary under the will, and would like my sister to receive her share in due course. Obviously nothing can be done now, but can I give my sister half the estate after my father's death? Would there be complications with capital transfer tax?

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the accuracy given in these columns. All inquiries will be answered by post as soon as possible.

of the Bill on May 11, it is not too late for you to write to your MP about the effects of Clause 167 upon people like yourself. The Finance Bill costs £13.10 (ISBN 0 10 310289 2), and revised versions will be published after the committee and report stages.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Table showing interest rates for various financial products including Clearing Bank, Building Society, National Savings, Money Market Account, and UK Government Stocks. Columns include Quoted rate %, Compounded return for taxpayers at 40%, Frequency of payment, Tax (see notes), Amount invested, and Withdrawal (days).

Minimum period

IS THERE a minimum period for which shares must be held before the original cost of them can be indexed for Capital Gains Tax purposes?

For example, if I purchased shares in June 1988 and sold them in January 1989, can I index the June 1988 price at the January 1989 index rate for the purposes of computing CGT?

Yes, the minimum period is ten days. For example, if shares bought on January 31 were sold on February 9, there would be no indexation allowance. If the sale took place on February 10, however, there would be an indexation allowance of 7.207 per mille (0/110ths).

The indexation allowance for shares bought in June 1988 and sold in January 1989 is 4.12758 per cent (44/1068ths).

Jointly held investments

FROM April 1990 it is proposed to tax husband and wife separately. Can you advise me of the position relating to foreseeable capital gains on currently jointly owned investments in equities, unit trusts, government stocks, income bonds (National Savings), and single premium insurance bonds of long standing. Will they be deemed to be divided 50-50 between husband and wife or still remain part of the husband's tax bill as at present?

Presumably you have always entered half the income from the jointly held investments under "Self" on your tax returns, and half under "Wife". Similarly, presumably you have entered separate figures in the capital gains sections of our tax returns for your wife's half share of the sale proceeds of joint investments, under "Wife." That being so, there

Marital home

BEFORE HER marriage my daughter was buying her own house on a mortgage that already repaid half the eventual selling price. After marriage 18 months ago she and her husband moved to a larger house and contributed equally to the cost of the mortgage. The house is still in my daughter's name only.

If they were to separate or even divorce, what would be my daughter's position as regards the house? Would she be obliged to sell and give her husband half of the net proceeds, or would she be able to retain ownership, having been the main contributor for eight years and having paid a substantial deposit on the marital home?

Would her own savings accumulated before marriage be affected by any divorce?

Your daughter probably would not be obliged to sell, but she might well have to raise on the security of the house enough money to buy out the interest (if an interest has arisen by repayment of the principal, rather than interest of the new mortgage) of her husband. On a divorce the total financial position of each party would be taken into account.

MINDING YOUR OWN BUSINESS

MEG DORMAN'S story is a classic format of a housewife turning herself into a business woman. She started baking cakes in her kitchen and selling them by mail order when her three children were small.

Roy Hodson meets two successes in a story . . .

Of cakes . . .

her original marketing style. It appears on her price list at £8.50 for a small one or £14 for a large. Along with humpants' cake (loaded with sherry for the hunting field), summer fruit cake, almond fruit cake, rich English fruit cake, and date and fruit cake.

some to compete in seriously. There are other small businesses in Britain offering mail-order cakes but the potential market appears to be big enough to accommodate them all, judging by Meg Dorman's success.

which she has converted into her shop and bakery. The lease for 15 years was cheap, but she has had to spend £10,000 on the building fabric to bring it up to standard. Equipment has cost her only a surprisingly modest £2,000. She bought her main item, a professional baker's oven, second-hand.

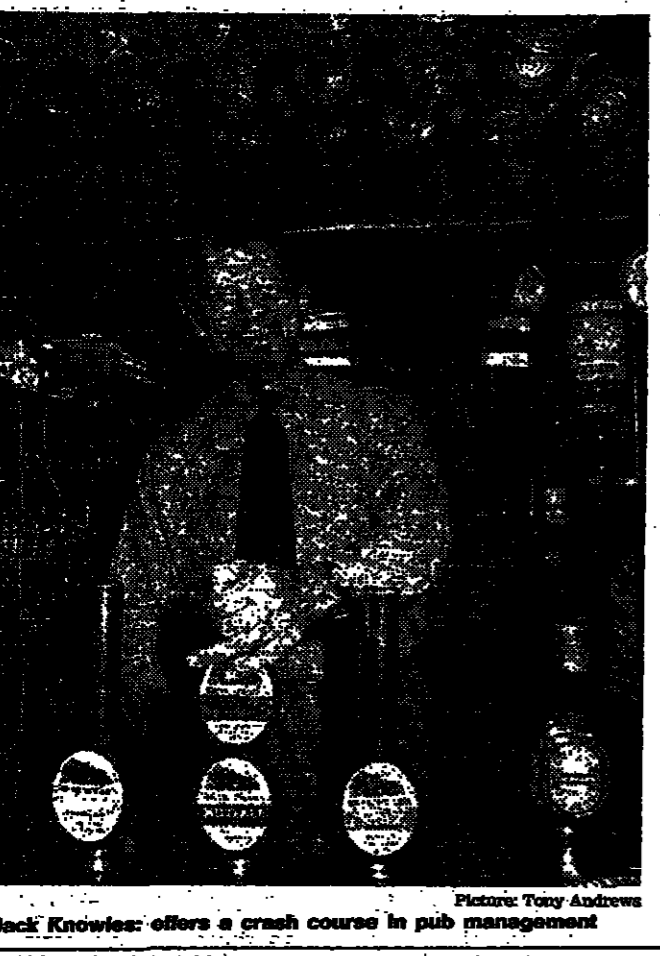


Exceedingly good cakes: Meg Dorman and some of her wares

3,500 names at home and overseas with the help of free editorial publicity and mailed brochures. She estimates it costs her 30p for each mail shot to cover printing and posting. She says her children "negotiated

rates" to stuff the envelope. "What is she in business for? I asked. 'To start with,'" she says, "I needed the money. But now, I really enjoy what I am doing. It is a lot of fun and I am very proud to be producing

a quality product. "However, it has been tough. When first I moved from the security of my own kitchen into these premises, I felt really exposed to the commercial world."



Jack Knowles: offers a crash course in pub management

A THEME running through the series on this page about buying a free house has been that of lack of experience and not disqualify couple with some financial resources who are eager to run their own pub.

. . . and ale

Andrews, near Shaftesbury, Dorset. It costs £289 a person; even then, you are being subsidised heavily by the brewers. But you will learn a great deal and feel much more confident about taking over your pub.

management before clinching the deal on their freehold house. And once the deal is done, everything becomes subordinate to the goal of getting the new business running.

law, financial controls, catering, and brewing and cellar-manship. On the second day, they are instructed in the arts and mysteries of marketing, promotion, merchandising, brewery trade deals, fruit machines, staff selection and training, bar management and (a grand finale this) difficult customers and trouble.

USEFUL ADDRESSES

- Brewers Society, 42 Portman Square, London W1H 0BB (tel. 01-496-4831).
Brewers Society pub management courses. Details from Donhead House, Donhead St Andrews, Shaftesbury, Dorset (tel. 0747-85337).
Insight (licensed trade training courses), 5 Market Place, Henley-on-Thames, Oxfordshire RG9 2AA (tel. 0491-573-260).

The demand for free houses has never been as buoyant. Providing training for the licensed trade looks as if it will be a growth industry

own training in pub management, or are contracting it out to independent organisations. Meanwhile, the demand for free houses from newcomers has never been as buoyant as during the past year. Providing training for the licensed trade looks as if it will be a growth industry.

Three Tuns (a charming old inn in the Market Place), runs monthly courses under the name Insight. He trains about 300 aspiring landlords and landlords every year. Most of them are couples.

There is an old maxim in the licensed trade for dealing with pub disturbances: 'Send in the lady of the house.' But Knowles doesn't recommend it for dealing with the lager louts of today and their girlfriends. He and other landlords in Henley have organised their own Pub Watch scheme, with the cooperation of the police. They maintain an organised telephone link between each other's pubs and can often pin-

point potential trouble before it flares into a serious incident. Computer programmes and electronic cash registers can make a publican's life much easier, but Knowles advises against installing a new system when you move into your pub. "It is better," he says, "to soldier on with an existing system, however imperfect, and then review the technology at the end of the first year

when you have formed a clear idea of what you will need." The basic essential is that a modern till should split sales into three categories - bar sales, catering, and "other" items such as tobacco, crisps etc. The quick way to disaster, adds Knowles, is to run a 'jam jar pub' where the takings are added into various jars. This concludes the series on buying a pub.

MINDING YOUR OWN BUSINESS

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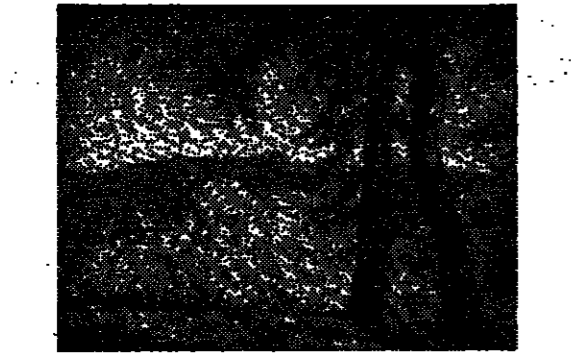
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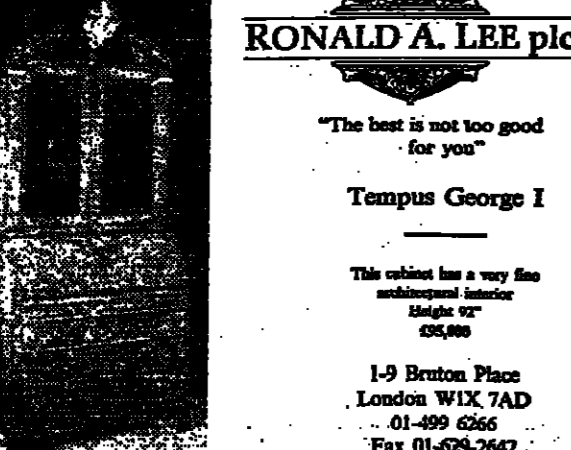
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COLLECTING

THE inexorable rise in the value of the dollar should encourage the UK's antique dealers to polish up their furniture and their silver, their pictures and their porcelain, that little bit harder next week as they prepare for the few days of the year when, briefly, London regains its undisputed position as the world's leading art market.

The Americans, who traditionally bought around half the stock of many leading British dealers, have been thin on the ground in the last three years, their confidence shaken by an ailing dollar and airline bomb scares.

Their contribution to the prosperity of dealers has fallen to around 30 per cent of sales and only the growth of local buying, inspired by a booming Stock Exchange and tax cuts, plus strong continental interest, has kept the antique dealers in comparatively better.

But Mr Charles Clark, president of the British Antique Dealers Association, reviewing a market which has been good but patchy in the last six months, expects the Americans to be back in force this month - and just in time. For fears of a recession could discourage the new British collectors, who have been spending their lower taxed incomes on acquiring modern British pictures and English furniture in particular, and, who, in their modest way, have kept the stock turning over.



Albert Ludovick's "A young lady reading a book on board a yacht" will be on show at the Grosvenor House fair

Time to start polishing
 Antony Thorncroft says the Americans are back in town

Despite the headline-catching record prices paid in the salerooms for masterpieces, (usually by Japanese in New York for French Impressionists) business at the local antique shop has not been brilliant, especially the level of demand for run of the mill objects. Still, this month at least, there is money whirling around the economy, and demand for top quality, rare and unusual items should continue. It may be investment rather than connoisseur buying, but that hardly worries the trade.

On Thursday, the Fine Art & Antiques Fair opens at Olympia for 11 days (but not Monday, June 12) with more than 340 dealers selling, well, everything - from Egyptian jewellery dating to 1500 BC on the Tortoiseshell stand, to what is claimed to be the largest collection of 19th century portraits of animals at Iona Antiques, to Louis XIV board games at the Barnsbury Gallery.

Olympia is probably the largest vetted antique fair in Europe and attracted 28,000 visitors last year. It is a must for the serious collector, with

prices ranging from £10 to over £10,000. Much of the early buying will take place between dealers, and the very best of the bargains might appear from June 15 at that grander, but more overpowering event, the Grosvenor House Antiques Fair.

Grosvenor House has an unchanging splendour, and is undoubtedly aimed at the seriously rich.

This year there are some important new faces among the 90-odd dealers, including Agnew, the leading Old Master dealer in the country, appearing for the first time in 30 years; Heim, another well established dealer in Old Masters; Pelham Galleries; Danny Katz, who specialises in sculpture, a sector which will be more widely represented at the fair than ever in the past; and Kate de Rothschild and Yvonne Tan Bunzl with their

Anyone desperate to spend money today, and with a weakness for ceramics, can pop down to the Park Lane Hotel where the International Ceramics Fair and Seminar continues until Monday evening. This is the most significant event in the calendar for the pots trade and 44 dealers from throughout the world will be displaying their best goods. If prices at Christie's English ceramics sale last week are anything to go by, the trade is in good heart. For oggling rather than for purchase are some of the finest pieces of Tang (7th to 9th centuries AD) in private hands, from the collection of Alan Hartman. It includes tomb goods, figures of attendants and animals which by their very profusion could speed the dead spirit to the seat of the ancestors.

From June 20, for three days, the world's bibliophiles have their annual reunion, at the Antiquarian Book Fair, also at the Park Lane Hotel. Among the exhibits is the finest Oscar Wilde archive to appear on the market for years, including among its 350 items almost all the special editions of Wilde's works; inscribed copies; and programmes of Wilde first nights. Bernard Shapero, who, at 26, has just become the youngest member of the ABA, is offering for £70,000.

What with the salerooms organising tip top auctions to cash in on the visiting dealers and collectors, and all the main galleries en fête with special exhibitions, the art world is doing its best to revive the glories of the London Season. Among the exhibitions, pride of place must go to Eskenazi in Piccadilly which, from June 13, is offering ancient Chinese and Korean works of art. There is a group of archaic bronze vessels, formerly in the collection of the distinguished Swiss collector Dr Franco Vannotti. In all, the 60 objects for sale are valued at £4m.

Ackermann in Bond Street has Rowlandson drawings and the Walpole Gallery in Dover Street, Italian landscapes. At the Matthiesen Gallery in Mason's Yard there is an important display of French paintings from 1700 to 1850, while the Taylor Gallery, off Bond Street, has 20th century Irish art. The Jermya Street is holding its first major exhibition in two years, selling French and English paintings from 1700 to 1850 from schools - English historical; mythological; French 18th century portraits - which have been out of fashion for some time and are consequently cheap.

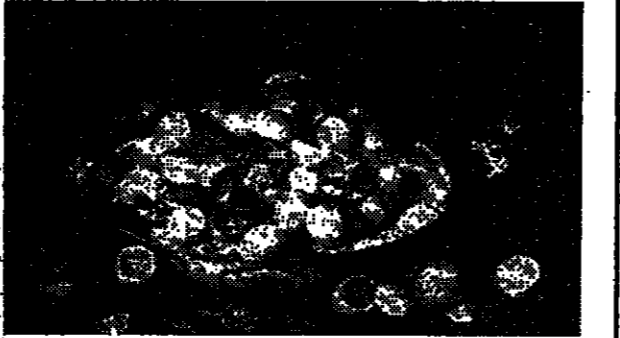
And that's just for starters. Happy hunting.

Old Master drawings. With Paul de Lamerie silver on offer at Spink; paintings by Monet and Wilson Steer at Whitford & Hughes; Sino-Tibetan 14th century saddle fittings decorated with goldleaf at Bluet; and part of the famous 18th century wrought iron railings from Chesterfield House at Pelham, the Grosvenor is shaping up to be as flamboyant as ever.

No fair these days is complete without a theme, proclaimed through a loan exhibition. Olympia has embraced the French Revolution, showing off two rooms, one decorated with furnishings from 1772 and 1789, and the other the more simple decor of the Directory era, 1795 to 1800, while Grosvenor House is going back another century to celebrate the accession of William and Mary with loans from the Dutch Royal collection.

RICHARD GREEN

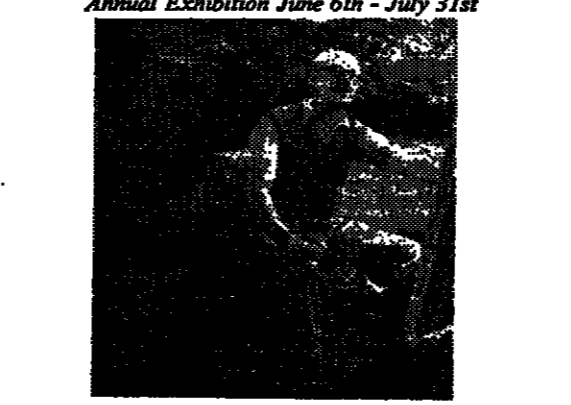
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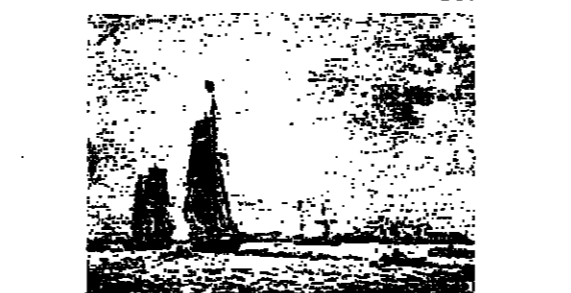


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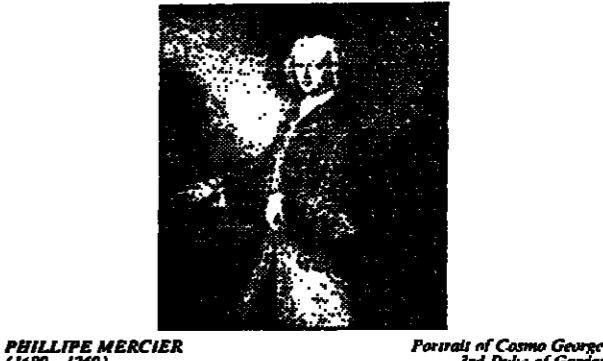
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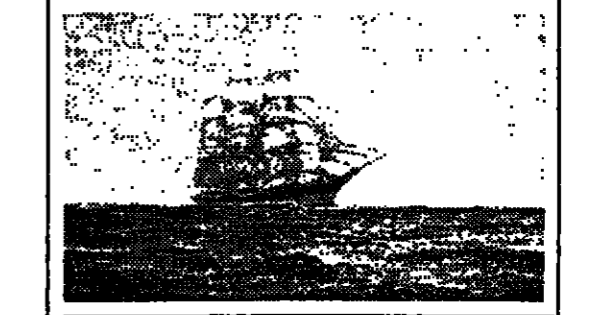
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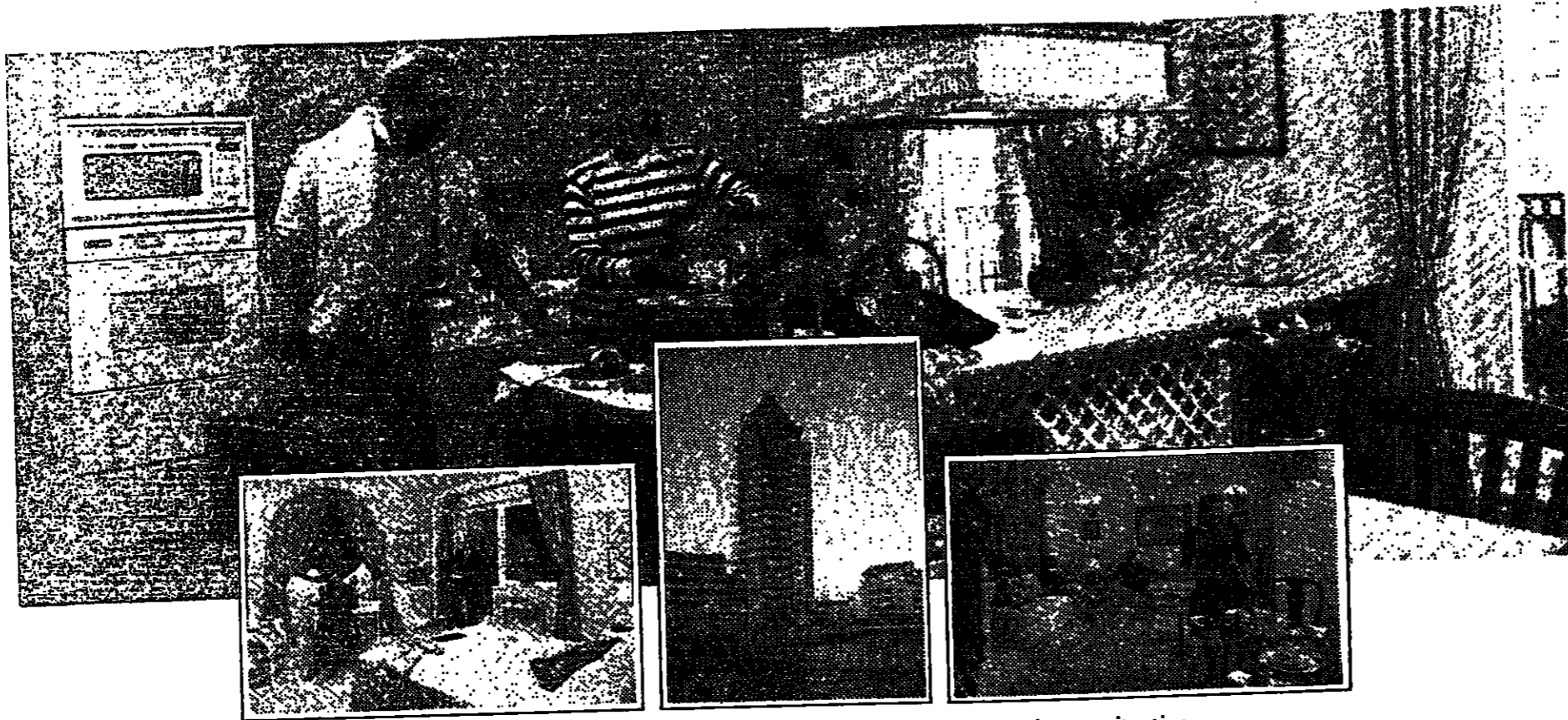
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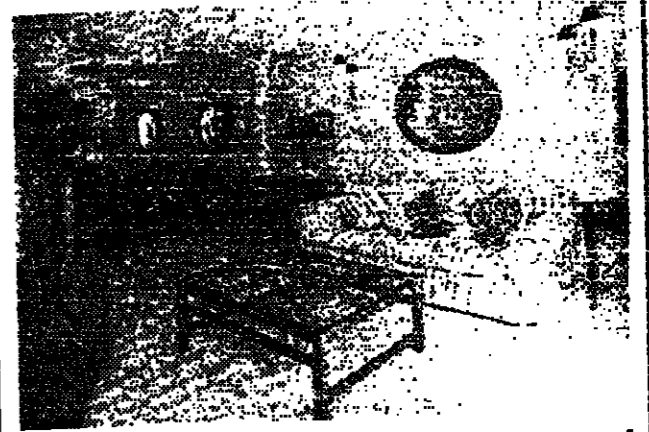
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PRUDENTIAL

HAMILTON PLACE MAYFAIR W1



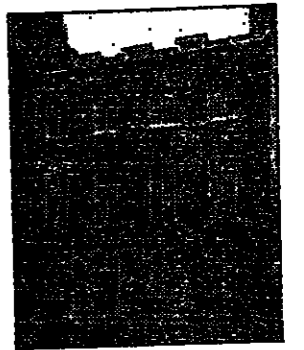
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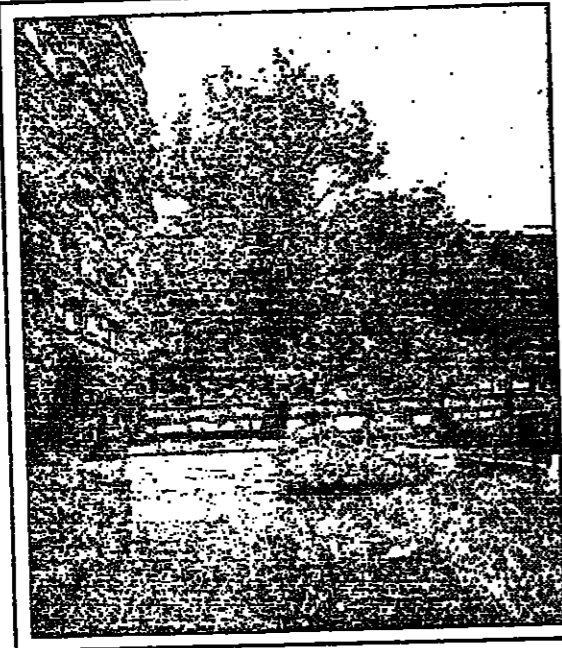
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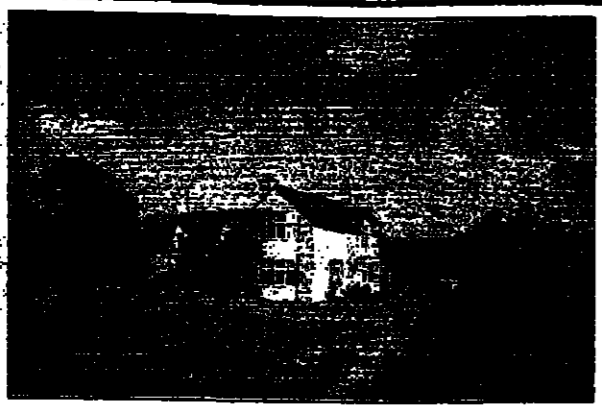
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A fine residential and sporting estate in a beautiful situation with magnificent views across the Black Mountains
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About 1,052 acres
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The Druids Lodge Estate
Wiltshire.
Salisbury 6 miles, Amesbury 5 miles, London 85 miles.
One of the outstanding sporting estates in the country renowned for its high quality partridge and pheasant shoot
Large Style Mansion House with 5 principal reception rooms, 10 principal bedrooms, 7 bathrooms. Former training stables with over 50 boxes. Secondary houses and 31 cottages. Development potential. Partridge and pheasant shoot incorporating 24 drives. About 5 miles of River Wyke and Tilt. Outstanding commercial arable farm with grain storage for about 7000 tonnes and beef housing for 300.
About 3,333 acres
Apply: London 01-629 8171. (GAMZ2862)

The Henden Manor Estate
Kent.
Idle Hill 1 mile, Sevenoaks 5 miles, Central London 26 miles.
A beautiful and historic residential estate in an idyllic setting
16th century manor house with 3 reception rooms, 6 principal bedrooms and 2 further bedrooms. Mixed grounds and gardens. Detention pool complex. Tennis court. 5 bedrooms out house. Secondary house, 6 cottages. Road farm with 21 loose boxes. 240 cow dairy unit. 950,000 litre milk quota. Potential for high quality shoot.
About 428 acres
As a whole or in lots.
Apply: Tunbridge Wells (0892) 615035 or London 01-629 8171. (GAMZ2864)

Worcestershire
Malvern 5 miles, Birmingham 40 miles, M5 6 miles.
A country house located in the Ledbury Hunt Vale country south-east of the Malvern Hills
Reception hall, 3 reception rooms, 3 bedrooms, 3 bathrooms (one en-suite), cellar, music room/further bedroom. Double garage and quality outbuildings. Landscaped gardens. Paddock.
About 12 acres
Apply: Clarendon White & Co in association with Knight Frank & Rutley (0906) 725438. (GAMZ2862)

Berkshire
Ascot M4 6 miles, Central London 33 miles.
An elegant Grade II listed early Georgian house in an outstanding position
5 reception rooms. Conservatory. 8 bedrooms and 5 bathrooms. Coach house. Lodge. Outbuildings. Garaging. Stable. Hard tennis court. Landscaped gardens and paddocks.
About 24 1/2 acres
Apply: Ascot (0990) 24732 or London 01-629 8171. (GAMZ2862)

Peebleshire
Peebles 5 miles, Edinburgh 26 miles, Inverliefden 5 miles.
A fine Scots Baronial mansion house set in mature parkland with frontage on the River Tweed
4 reception rooms, 2 bedroom suites, 5 further bedrooms and 2 bathrooms. Self-contained flats. Conservatory and walled garden. 3 garages. Hard tennis court. Stable block with loose boxes and tack room. Paddock. Woodland. Polices. Trout fishing on the River Tweed.
About 68 acres
Apply: Edinburgh 031-225 7105. (GAMZ2862)

Buckinghamshire/Berkshire Border
Iver 1/2 mile, London 19 miles, Heathrow Airport 6 miles.
A major portion of an attractive William and Mary style house overlooking parkland.
Reception hall, 2 reception rooms, 4 bedrooms, 2 bathrooms, Games room/bedroom & 3 bedrooms, 2 bathrooms. Mature gardens.
About 6 acres
Apply: Beaconsfield (0494) 675368 or London 01-629 8171. (GAMZ2862)

Kent
Sevenoaks 10 miles, London 33 miles.
An imposing house in an elevated position with outstanding views
4 reception rooms, 6 principal bedrooms, 2 shower rooms, 2 bedrooms, 2 bathrooms, 2 reception rooms, 4 secondary bedrooms, bath, gym and sitting room. Detached 4 roomed cottage. Swimming pool. Tennis court. Beautiful grounds.
About 11 acres
Apply: Tunbridge Wells (0892) 615035 or London 01-629 8171. (GAMZ2862)

Sussex
Haywards Heath 7 miles.
A beautifully situated Grade II listed farmhouse together with the Lordship of the Manor of Maresfield
3 reception rooms, 6 bedrooms, 2 bathrooms. Delightful gardens. Hard tennis court. Single kiln out house. Timber-framed barn. Garaging. Modern farm buildings. Pasture, woodland and common land.
About 27 acres
Apply: Tunbridge Wells (0892) 615035. (GAMZ2862)

Kent
Maidstone 7 miles, London 40 miles.
A small Jacobean farmhouse with period outbuildings in a quiet country setting
3 main reception rooms, 3 bedrooms, 2 bathrooms, 2 bedrooms, 2 bathrooms. Large country kitchen with Aga. 2 bedrooms, 2 bathrooms. Period barn and stable block (both suitable for conversion). Garaging. Gardens and paddocks.
About 4 acres
Apply: Tunbridge Wells (0892) 615035. (GAMZ2862)

Surrey
Chobham, M3 3 miles, Woking Station 4 miles.
A pretty Grade II listed house with landscaped gardens bisected by the River Bourne
3 reception rooms, 6 bedrooms, 3 bathrooms. Garaging. Outbuildings. Beautiful gardens with stream.
About 2 1/4 acres
Apply: Ascot (0990) 24732 or London 01-629 8171. (GAMZ2862)

Sussex
Forest Row, East Grinstead 4 miles.
A substantial country house and detached cottage
Main House: 4 reception rooms, conservatory, 6 bedrooms, 4 bathrooms, 2 shower rooms. Garaging. Beautiful grounds.
Cottage: 2 reception rooms, 3 bedrooms, bathroom. Land with potential for residential development.
About 4 acres
As a whole or in lots.
Joint Agents: Wood Brett & Gairnes, Forest Row (084823) 2255 Knight Frank & Rutley, Tunbridge Wells (0892) 615035. (GAMZ2862)

Kent
Heronenden, Tunbridge Wells 12 miles, Paddock Wood 6 miles, London - Cannon Street and Charing Cross approx. 45 mins.
A beautiful listed 16th Century house
Panoramic drawing room, dining/sitting room, 6 bedrooms, 4 bathrooms. Staff flat. Large country kitchen, extensive attic space. Magnificent Great Hall with four roundels and plastering conceals for conversion to a 4 bedroom house. Heated swimming pool, hard tennis court, outbuildings. Mature garden and grounds with stream and pond.
About 6 acres
Apply: Tunbridge Wells (0892) 615035 or London 01-629 8171. (GAMZ2862)

West Sussex
Seyring, Horsham 14 miles, Brighton 12 miles, London by train 1 hour 10 minutes.
A beautifully modernised and well proportioned Grade II listed village house with delightful walled gardens
3 reception rooms, 5 bedrooms, 3 bathrooms, Garaging. Heated swimming pool with grass.
About 1 acre
Apply: Guildford (0483) 65171 or London 01-629 8171. (GAMZ2862)

Berkshire
Ascot.
A spacious modern penthouse apartment with a roof garden enjoying fine views over Ascot Racecourse
2 reception rooms, 2 double bedrooms, 2 bathrooms. Extensive roof garden. Double garage. Communal Grounds.
For sale leasehold.
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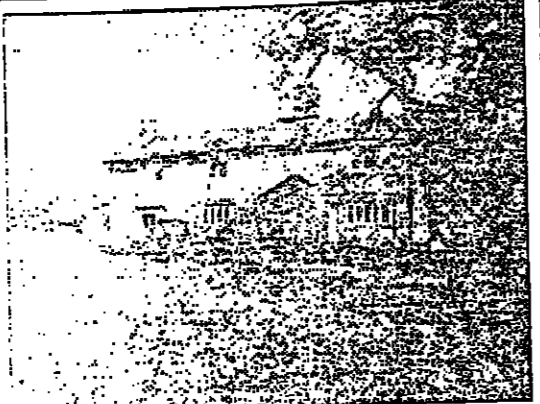
Buckinghamshire
Milton Keynes 7 miles, Oxford 35 miles, M1 (Junction 15) 12 miles.
An attractive part 16th Century house refurbished to a high standard
3 reception rooms, 6 bedrooms, 2 dressing rooms, 3 bathrooms, attic rooms. Garaging. Barn with potential to form staff quarters. Formal garden, paddock.
About 2 1/2 acres
Apply: Oxford (0895) 780077 or London 01-629 8171. (GAMZ2862)

Hampshire
Milton on Sea 1 mile, Lymington 3 miles, Southampton 17 miles.
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About 3 1/2 acres
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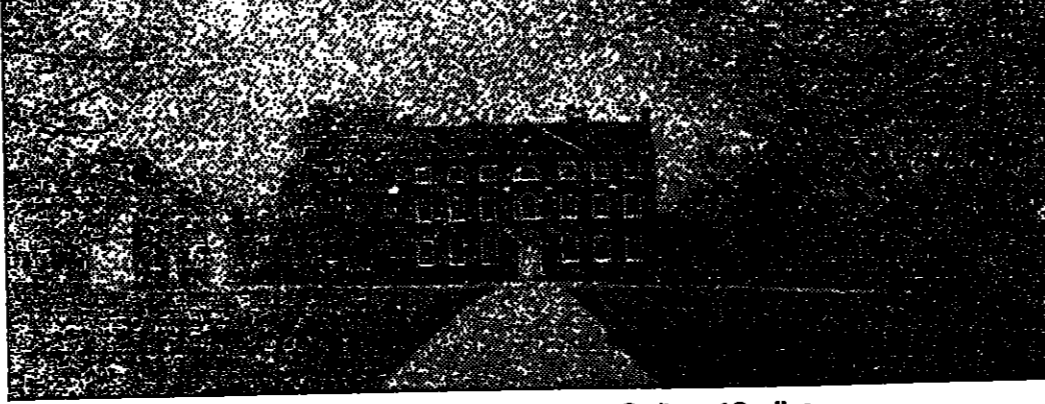
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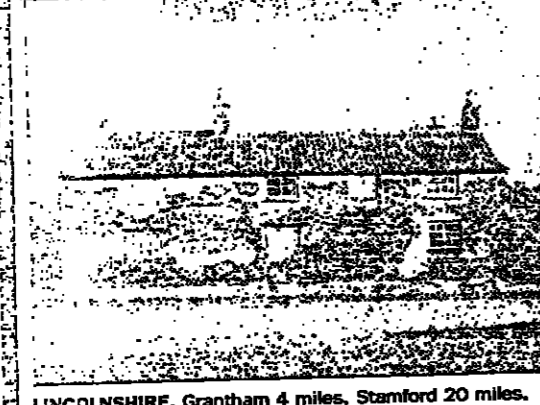
ESSEX/SUFFOLK BORDER. Colchester & A12 4 miles, Sudbury 12 miles. An exceptional residential farm in a most attractive setting. Grade II* listed Georgian House. 5 reception rooms, 7 bedrooms, 4 bathrooms, 2 dressing rooms. Grade II listed coach house. Range of traditional buildings including Grade II listed timber framed barn. 11.4 acres of arable land & 62 acres natural & mature woodland. About 176 acres. For sale as a whole. Ipswich office: Tel. (0473) 214841. London office: Tel. 01-629 7282. Ref. 5009024



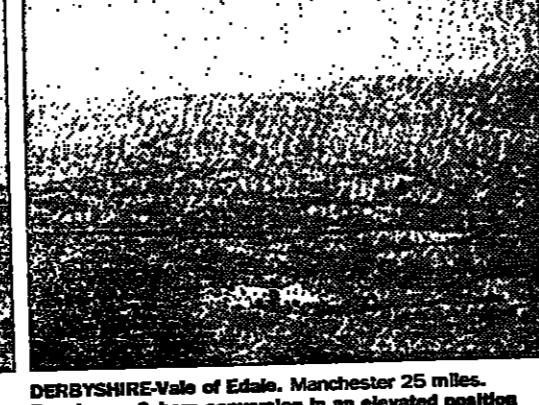
SUFFOLK-Hasketon. Nr. Woodbridge. Ipswich 8 miles. A restored former rectory listed Grade II in partly moated wall timbered grounds. 4 reception rooms, 5 bedrooms, 3 bathrooms. Outbuildings, former coach house, garage with planning permission. Gardens & grounds. Further land may be available. Over 4.5 acres. Region £550,000. Ipswich office: Tel. (0473) 214841. Ref. 50A 9990



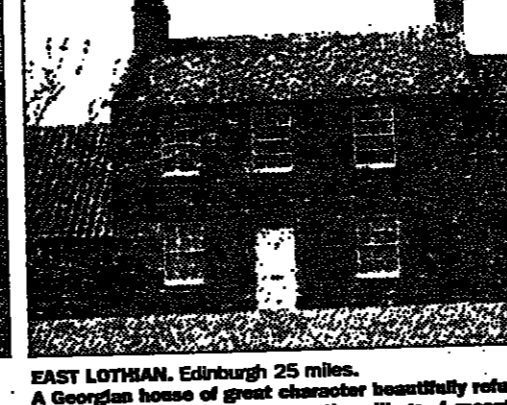
SUSSEX-East Hoathly. Lewes 9 miles, (London Bridge & Victoria 64 minutes). An elegant Georgian Country House in beautiful secluded grounds. 3 reception rooms, 3 bedroom bathroom suites, 4 further bedrooms, nursery & bathroom. Courtyard & garage block with self contained flat over coach house. Mature gardens & grounds, walled garden & woodland. About 5 acres. Lewes office: Tel. (0273) 475411. London office: Tel. 01-629 7282. Ref. 64C4405



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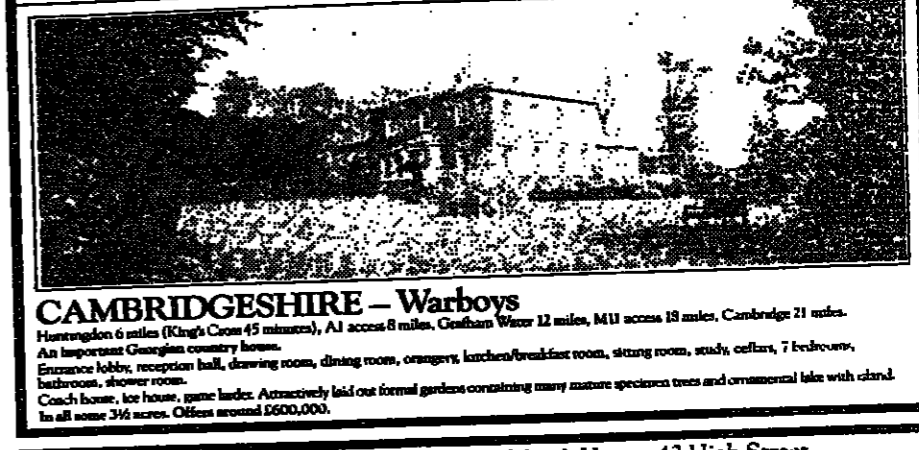


EAST LOTHIAN. Edinburgh 25 miles. A Georgian house of great character beautifully refurbished & situated in a conservation village. 4 reception rooms, 2 bedrooms (1 en-suite shower room), bathroom. Secluded garden. Garage. Summer house. Excess of £120,000. Edinburgh office: Tel. 031-226 2500. Ref. 385890

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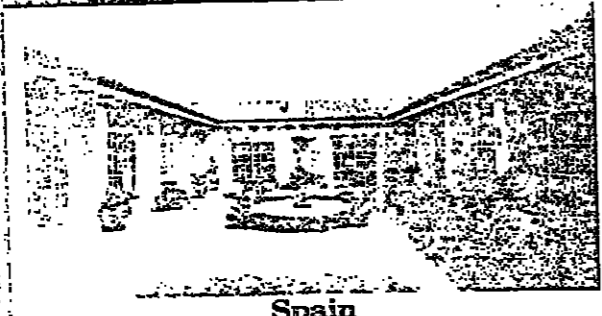
Surrey Guildford and Woking 5 miles, M3 (Junction 3) 7 miles.
A fine 17th Century house, listed Grade II, set in outstanding gardens. 4 reception rooms, 5/6 bedrooms, 4 bathrooms, 2 cloakrooms, kitchen/breakfast room. Gas central heating. Garaging. Outbuildings. Heated swimming pool and hard tennis court. Cottage. Garden, grounds and paddocks. Offers invited for the freehold with about 5 1/2 acres. Details: London Office, Tel: 01-629 6700 014332678JCA

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A distinguished house with magnificent views. 4 reception rooms, 7 bedrooms, 2 dressing rooms, 3 bathrooms, cloakroom, kitchen, domestic office. Oil central heating. Staff accommodation. Garaging. Outbuildings and stabling. Grounds. Woodland. Paddocks. Old school house. For sale Freehold with about 31 acres. Details: Shaftesbury Office, Tel: (0747) 53482 and London Office, Tel: 01-629 6700 116781248

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Wiltshire 10 miles, Bradford on Avon 2 miles. 8 1/2 acres
Bath 5 miles, Chippenham
A fine Georgian country house on the edge of a peaceful village. 3 reception rooms, 8 bedrooms, 3 bathrooms, cloakroom, kitchen/breakfast room. Oil central heating. Garaging. Outbuildings with potential for conversion. Stabling. Ornamental garden. Paddock. Large walled nursery garden. Price guide £700,000 - £800,000 with about 8 1/2 acres. Details: Chippenham Office, Tel: (02469) 444555 1058140ML8

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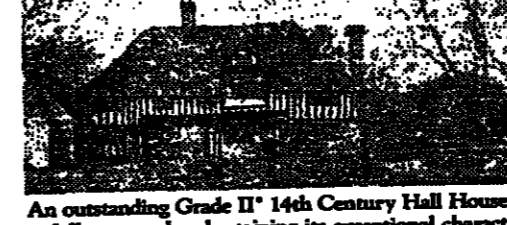
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Separate 2 bedroom Cottage.
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A delightful period country house situated in an elevated position with far reaching views.
Entrance hall, 3 reception rooms, kitchen and utility room, Principal bedroom suite, 4 further bedrooms and second bathroom.
Self-contained staff flat/annexe. 2 bedroom period cottage.
Extensive outbuildings, including magnificent games room. Gardens with tennis court and paddock.
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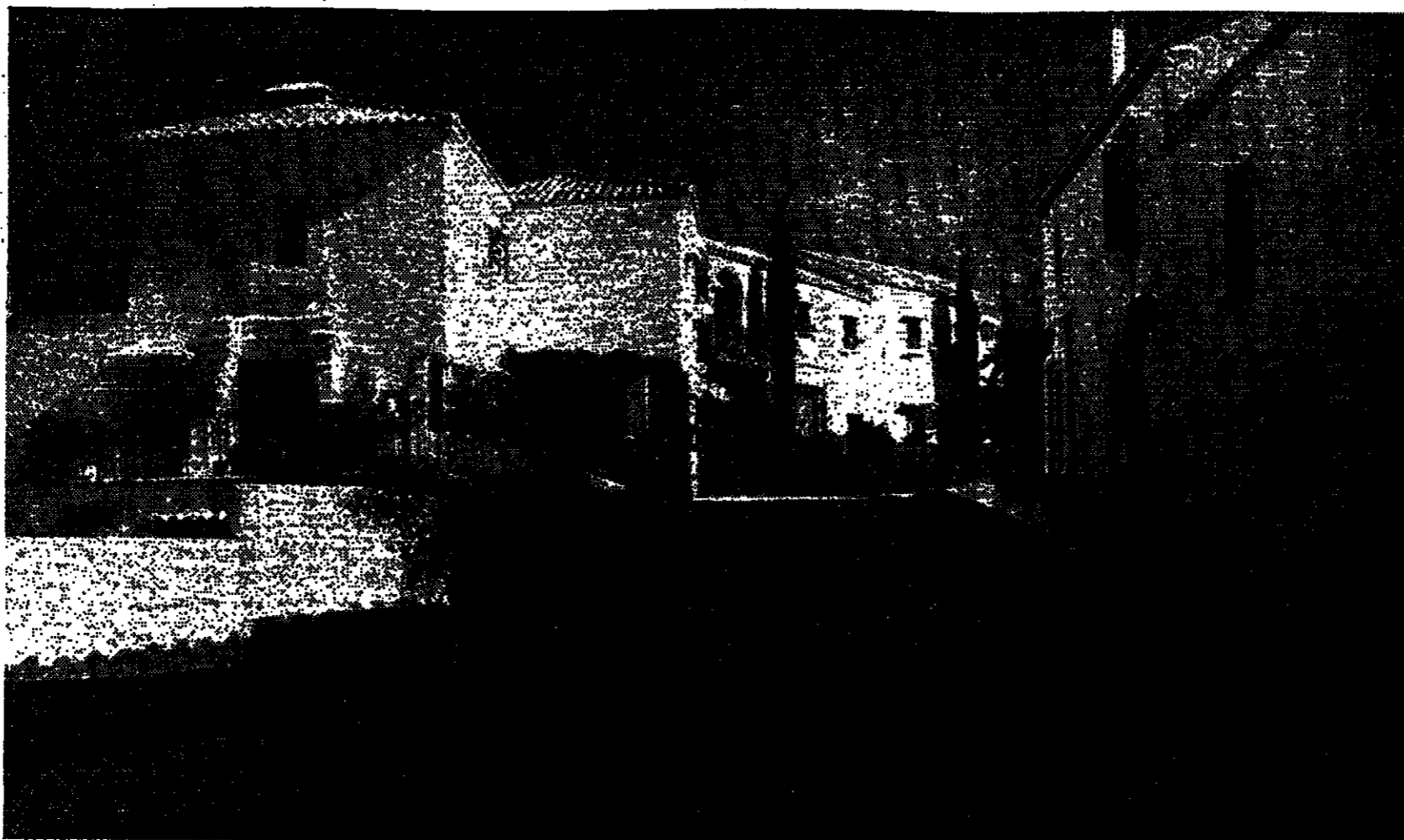
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PROPERTY

A made to measure mountain village

Audrey Powell turns her back on Spain's crowded beaches in favour of high life in the hills

TRUE, THE high and low life of Spain's Costa del Sol is entertaining. But some prefer it in limited quantities, especially in the summer. Few of the crowds who visit that coast go into the mountainous country behind. Yet to turn off on the Ronda road and drive three miles or so into the mountain foothills takes you into a different world. Here, on a hilltop, is a village in the making, like a white bird on a nest, where some 80 owners are already keeping in touch with life on the coast - from a discreet distance.



It must be many an amateur architect's dream to build his or her own village. It was Paco Parlaide's luck to be able to do so. A Spanish landowner (with, incidentally, an English wife, from Northern Ireland) has spent 20 years running his family's Madronal development in the Ronda mountains. Six years ago he began developing his village - named La Heredia, after his great-grandfather. The houses were to be "real homes," not the soulless, repetitive development of much on the coast, and the project would be limited to about 250 properties. There are squares and steep narrow streets, of cottagey houses shoulder to shoulder, in true village fashion. But each is different. Parlaide designs them himself, passing the plans to his architect to sort out the mundane details. He delights in pottering round dusty tile factories in Seville, picking out unusual versions for his houses. His father scours for antique wrought iron gates and grilles and old studded doors from demolition sites, which he buys and stores like a squirrel, until he sees where some can be used in a property. Inside, the houses have large living rooms, often with interesting fireplaces. Floors may be combinations of grey marble and terracotta tiles. Colourful ornamental tiles may run through the marble treads of stairs. Kitchens and bathrooms are expensively equipped. Most houses are white with touches of colour, but a few are the mustard shade found in the soil, or the misty blue that also has local origins. Prices of the two or three bedroom properties go from £105,000 to £150,000, with an annual main-

tenance charge from £700. Some early houses have gardens and swimming pools, but in the newer ones the emphasis is more on patios. Although a third of the buyers are permanent residents, others are businessmen, air hostesses; people who snatch brief visits, with no time for looking after things. Americans, Swiss, Germans - and some well-known British business names - are among owners. There is a restaurant (the flavour is north African), and communal swimming pools. Some shops are to come. Later Parlaide plans to build a church - to give La Heredia a "soul" - and one large house on a high point to represent "the best house in the village," although it will probably be made up of several rather grand apartments.

In 1987 Prima Inmobiliaria, a real estate group subsidiary of the Kuwait Investment Office, took a 50 per cent stake in La Heredia, and at the end of last year it took over the Guadalupe hotel, on the coast near San Pedro. The hotel has two 18 hole golf courses, where many La Heredia residents play, and a nine-hole course is being built. Prima also took over the golf courses and a housing development in the grounds (30 plots are still available). The group intends to update the hotel and sell it and also to sell shares in the golf courses. The village's residents will have an option to buy. Bearing in mind that the crowded Costa del Sol was once just a bare shoreline with the occasional fishing village, one views the vast sweeps of undeveloped land surrounding La Heredia and wonders about its future. It is said to be green zone, but a Swedish company is building a (Ballesteros-designed) golf course in front of the village, though below it, and fringe housing is expected. Parlaide himself has more land in the area, on which there will probably be small-scale development. But, whatever happens, one can imagine a completed La Heredia sitting, like "the best house in the village," above it all, serenely undisturbed.

Properties are available from the sales office in the village, or from Knight Frank & Rutley in London (tel 01 629-8171). While in this area, KFR has something else: a new house built in classical Spanish style, of old materials, round a central courtyard. Twentieth century additions include satellite television, hot and cold air conditioning and under-floor heating to the marble floors. There are three reception rooms, five bedrooms with bathrooms, staff flat with separate entrance, and heated swimming pool. The 2.5 acre garden fronts Lake Taraje and has a jetty. There are also five stables, tackroom and schooling ring. The property is 20 minutes from Marbella and the price is £1.25m.

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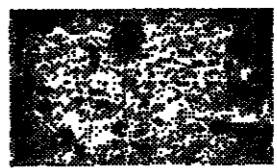
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PROPERTY

John Worrall on welcome changes in Portugal How the Algarve is being born anew

THE ALGARVE has learnt by experience. Once upon a time it was innocent and sunny and decent. Now it is just sunny, and with innocence long gone it is having to work very hard on being decent.

The trouble was that its charms were too good and too available. It was ravished by north Europeans, principally the British, who descended in huge numbers and bought from British developers who had land banks to feed demand. Lack of real planning control allowed those so inclined to perpetrate blandness, mediocrity and downright awfulness.

The legacy of the 1970s and early 80s is there for all to see, in places such as Quinta do Carreiros to the average British punter who needs to see 1 before a except after c). Ranks of concrete cubes and a growing shanty town on the west side have replaced the former fishing village, leaving only an old house which planners failed to acquire for the dusty dual carriageway back from the sea front. The house now swells the central reservation like an egg in the neck of a python.

That sort of thing led the English-language Algarve News recently to blurt: "It is still possible for a family to have a very good holiday in the Algarve."

With a little luck, however, the bad times are past. The

problem has at last been recognised. A recent major clampdown on development in the coastal strip and a strong emphasis on quality is changing things for the better; much needed improvements on infrastructure are also on the way.

The gateway to the Algarve for most people is Faro airport. It handled 2,573,000 passengers last year, all of whom squeezed through one terminal building, but a second building is due for completion in the autumn.

From the airport, most visitors then travel by the coast road, the N125, to their resort, and that has also had its problems through sheer volume of traffic. Things should improve there with schemes currently in hand such as the Almansil by-pass, which will remove a particularly notorious bottleneck, hopefully by the end of the year.

In the longer term, a new motorway is proposed to run west from the Spanish border, eventually connecting Seville with Lisbon. The line has not yet been finally decided,

although a start has been made on the bridge over the Guadiana river.

Fortunately for all those involved, the market had not been significantly affected by the mounting problems. It powered through last year, substantially on the back of price rises in British property financed by sale or remortgage of homes being by far the predominant buying race - and most agents report continuing annual increases of 20 per cent. A small but increasing trend too is for younger British families to move out and set up home and business, though other nationals, notably the Scandinavians, are beginning to show in greater numbers. None of them will be stuck for choice of location.

Among a number of current schemes in the western Algarve, local developer Helder Pires is building 18 two and three-bedroom cottages and 103 apartments at Vilabranca, close to the historic town of Lagos. The development will

also include a four-star hotel. The first phase is due for completion in September 1989. Two-bedroom apartments start at £49,000 and two-bedroom cottages at £75,000.

David Middleton of London Agent, GD Properties, says that this area is continuing to see price increases of 20 per cent with 80 per cent of buyers still coming from the UK. Vilabranca can be reached from Faro within an hour on a good day and that will improve as the new infrastructure is put into place.

In the central Algarve, meanwhile, Prowling Homes is developing a golfing resort at Balaisa, close to Albufeira, about half an hour west of Faro. Adrian Phillips of Bristol-based agent Longcroft Properties says that the first phase, together with leisure facilities, has been completed and apartments in the second phase are currently being occupied. According to Phillips, "It is still possible to buy a one-bedroom apartment at Balaisa Village for under £50,000 which is both a

Fall in London average

AVERAGE house prices in London have fallen below £100,000 in the first quarter of 1989 in an all-borough average of £97,800, according to the London Research Centre.

Drawing on a borough by borough analysis of mortgage approval figures supplied by the Halifax Building Society, the centre's figures confirm the sensitivity of west central prices in London to changes in investment - as opposed to owner-occupier - sentiment.

"Every borough in the eastern half of London," the report notes, "has either shown an increase over the last quarter or only a slight fall." Islington is an exception, with an 11 per cent drop in values.

However, the fall in the volume of sales across London does make any analysis of area-by-area prices no more than a guide to trends. As IBC spokesman Peter Goodwin argues, the paucity of comparable long-run figures for London property prices and for household earnings makes any extrapolation of the past few months' events fraught with difficulties.

Still, with a review of past property price cycles, and basing his case on a 10 per cent a year rise in money earnings growth, he says that, "if someone forced me to answer the two fashionable questions at the moment, this is what I would answer: The slump will last three years, during which house prices in London will remain stable."

John Brennan

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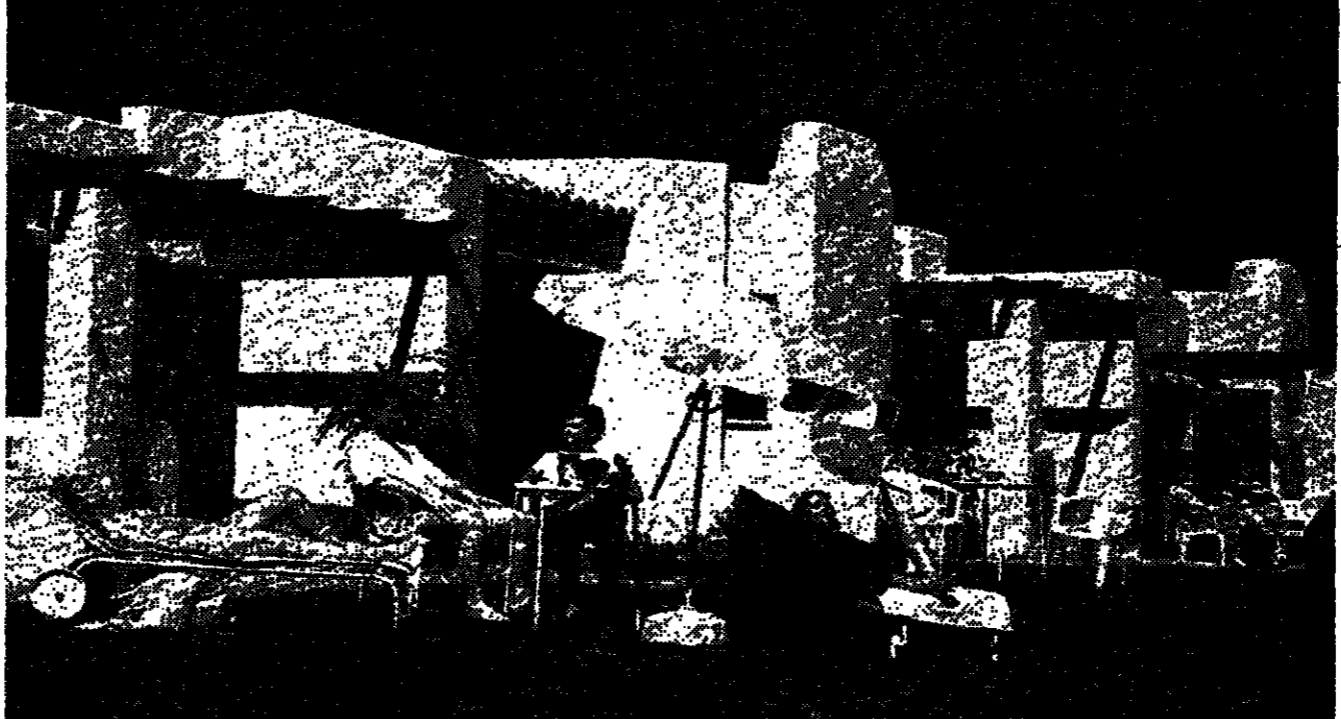
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PROPERTY

French ease the pain of home-hunting

Audrey Powell on a buyer's guide

THE FRENCH Chamber of Commerce in Britain has just published what it terms a "survival kit" for anyone seeking a second home across the Channel.

While some of the French had worried about what they saw as a cross-Channel invasion, others welcomed the arrival of new neighbours in what were becoming depopulated areas.

THIS TIME last year about a third of the properties sold by west London agents Farrar Stead & Glyn were to investors wanting either to rent or redevelop.

John Brennan on a changing emphasis in the London market

Investors play the waiting game

John Brennan on a changing emphasis in the London market

in the outlook for housing values, is highlighted by the agents' sales statistics for the period since Christmas.



Typically French... by design. New houses and apartments built to look old are a special feature of Plan de la Tour near St Mandre.

book warns. The French legal system has no recognition of the law of trusts as understood in the UK.

last meeting of co-owners to see what work they planned for the year and the estimate of cost per apartment.

owner is lower than for the other two options and there are other tax incentives.

why the Chamber went to so much trouble to help tireless foreigners, but its little book should certainly provide the practical assistance it sets out to give.

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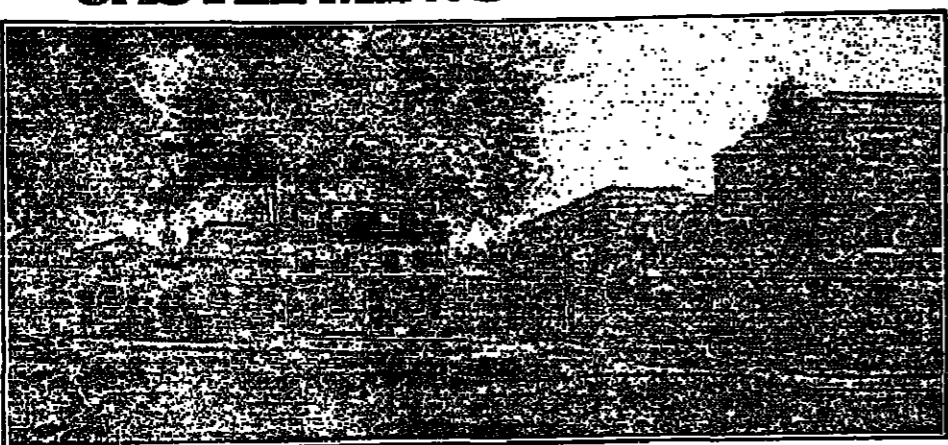
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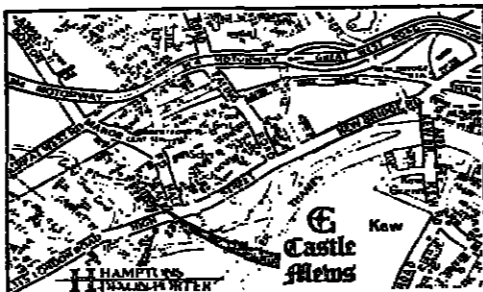
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HAMPTONS

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HAMPTONS

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Near Highgate, Berkshire, M4 6 miles. A most attractive and idyllically situated period cottage with marvellous views. Tastefully modernized. Wealth of exposed beams and rafters. Potential for further extension subject to planning. Gardens of 1.5 acres with woodland, 3 bedrooms, an en-suite shower room, family bathroom, 2 reception rooms, luxury fitted kitchen, utility room. Attached outbuildings (potential conversion to family room). Oil CH. Garage.

Near Ebury on Thames. Picturesque brick and flint single storey detached cottage, quietly situated on an elevated plot in a country lane. Long distant views, in need of total modernisation. Ideal for extension subject to planning. 2 bedrooms, etc.

Draycott, Near Barnham. Charming cottage forming part of the former lodge to Draycott House. Built towards the end of the last century and extended about 11 years ago. Unrivalled rural position close to Barnham Beaches yet near to M4 and M40. 4 bedrooms, bathroom, cloakroom, 2 reception rooms, kitchen. Coker gas heating. Garage space. Gardens just over 1/2nd acre. Exposed beams.

Wendley, Near Reading. Some commercial use potential subject to planning. Detached family house. 6 bedrooms, shower room, 2 bathrooms, 3 reception rooms. Family room, 2nd studio, luxury fitted kitchen. Full gas heating, one acre. Built 1904.

7th Elm Thames Frontage - Marlow. Charming detached residence offering adaptable accommodation with 3 double bedrooms (1 downstairs), bathroom, separate WC, utility/cloakroom, dining room, kitchen, kitchen/breakfast room. Oil heating. Detached garage. Outbuildings. Attractive enclosed well established gardens.

Letcombe Bagle, Near Wantage. Charming 17th century cottage with later additions requiring some improvements and further modernisation. Delightful village close to open countryside. 2/3 bedrooms, bathroom, attic suitable for bedroom conversion. 3 reception rooms, kitchen, Garage. Gardens.

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GARDENING

Ballerina: a bit of a rotten apple

DOES NEW mean better? The week after the Chelsea Show leaves us wondering: there were Ballerina apples, yet...

nel in those beds which fashionable gardeners like to lay out on the model of a French vegetable garden or formal potager.



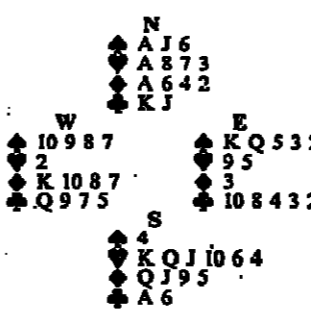
Nurseries, Diss, Norfolk. At Chelsea, it struck me as the most promising new member of their well-judged exhibit.

star-shaped yellow. By being negative, I realise I have missed several good recent varieties of which Allanah, from Fisks of Saxmundham, Suffolk, caught my eye as much for its shape as its colour.

panion for the new white lavender Barasay. Together, they would give continuous flower and no trouble all season.

Bridge

BOTH HANDS today are taken from rubber bridge. The first occurred a few years ago in a game of high standard:



With both sides vulnerable, North dealt and began the bidding with one no-trump. South replied with three hearts.

the very first trick - and the diamond queen was led from hand, West playing low, and held the trick. East followed with the three. South continued with the knave and this time West covered with the king.

Suppose East wins with the king. If he returns a diamond, South plays his nine. If East had four diamonds, the nine wins; if 10 covers, the suit is breaking.

started off with one diamond, South replied with one heart. I overcalled with three clubs. North raised to three hearts, South said four hearts and all passed.

E.P.C. Cotter

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Northern delights

A WEEK in Cumbria and Argyle, mainly with the aim of revisiting some gardens I had not seen for 10 years, revealed much that was excellent, a few disappointments and led to the discovery of several gardens entirely new to me.

glades. It is maintained excellently and is open occasionally in April, May and June for Scotland's Garden Scheme.

garden-making can gain from being contrasted with something that is obviously man-made.

for sale again. What an opportunity for someone with the romantic vision allied to the practical drive of Sir James.

Robin Lane Fox

returns are immense and there are some good thomponis; but what impressed me most were the niviums, which included some of the best forms I have seen anywhere.

For details of advertising on the Gardening Page Call Jane Emma Peerless on 01-873 3185

FAST CUTTING SUPERB COLLECTION For big garden care and mowing perfection... No other tractor does more to save time.

COUNTRY PROPERTY

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SOUTH NORFOLK CONSERVATION AREA LARGE, Newly built detached house, 4 bedrooms - 1 ensuite - 1 bathroom - 1 garage - 1200 sq ft - 1200 sq ft - 1200 sq ft.

Bryan Bishop HERTFORDSHIRE Harnham Green Outstanding 17th century house in a superb village well planned for the summer.

CUMBRIA Nr. Appleby. Excellent farm with three bedroomed house. Range of outbuildings. 189 Acres. Particulars from Smiths Gore, Carlisle.

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Andrew Grant HERTFORDSHIRE THE BLACK VEIN ESTATE, EDWYN RALPH, NEAR BROMYARD. Occupies 13 miles, Worcester 15, Birmingham 40, London 130, M5 17 miles.

William H. Brown SOUTH SUFFOLK 6 miles Bury St. Edmunds. Cross-Country Farm, Cockfield. Attractive Reservoir Area. Pasture, Accommodation and Arable Land.

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ASH GREEN NR. COVENTRY £64,950 Excellent detached House, 3 Bed, 2 Bath, 2000 sq ft, 2000 sq ft.

BIDWELLS 0223 841842 NORFOLK 1716 acres Kings Lynn 6 miles. A flexible and well equipped arable farm adjoining the River Nar.

H HAMPTONS RESIDENTIAL DEVELOPMENTS FORNHAM PARK GOLF COURSE BY GILL DEVELOPMENTS. A prestigious development of 12 luxury ground and first floor apartments.

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OUT OF THIS WORLD THE LOVELY VILLAGE WHICH EMBRACES IT, THE PICTURESQUE LAND THAT SURROUNDS IT, AND THE BREATHTAKING VIEWS REGULARLY DRAWN TOWARDS IT ARE ASPECTS OF BEAUTY WHICH MUST BE SEEN TO BE APPRECIATED.

DIVERSIONS

THE Roman Steps, to be found in the Rhinogs, a compact and intimate range 20 miles south of Snowdon, are one of the most intriguing historical landmarks of all the Welsh mountains.



The Roman Steps: an emblem of English ascendancy

Precisely who put the stones there remains one of the mysteries of Welsh history. Their sheer bravura, akin to the great Roman routes such as Watling Street and Fosse Way, gave them their name.

It is most likely that they were laid in the period when Edward I was rebuilding Harlech castle following the English victory over the Llywelyn princes, the doomed dynasty who constituted the last home rulers of Wales.

It came to be used as one of the celebrated drove roads, the drovers being - in the words of the writer Richard Sale - mediaeval cowboys, herding their cattle to market on the hoof in a manner anticipating the American west.

Where the lane ends beside the secluded lake near Blychau, a source of the River Arto, you find yourself in a wild landscape, with granite terraces sweeping down from the layered silhouettes of the Rhinogs above.

With a car-park provided by the local farmer, and a clearly marked signpost, the walk begins beside the sheep-pens of the nearby hillfarm, climbing at first through a wood before emerging on the open hillside.

When Leni's turn came, her foot skidded on the far bank and she slipped into the water. Not only did she give her elbow a painful crack - later we discovered that she had chipped a bone - but she was also drenched, so Janet and Leni retreated to the car for dry clothing while Paul and I continued.

Shortly afterwards we came upon the start of the steps. If ANOTHER blow in the solar plexus for those who value the good things in life. Bad enough that the developers' hammers are chipping away daily at Dublin's Georgian past.

Parsons used to sell household supplies and pails for children to collect worms from the nearby canal. "I had the Confessions of St Augustine and some religious poems in my flat and, as we had no stock, I brought my little library in and put it on the shelves."

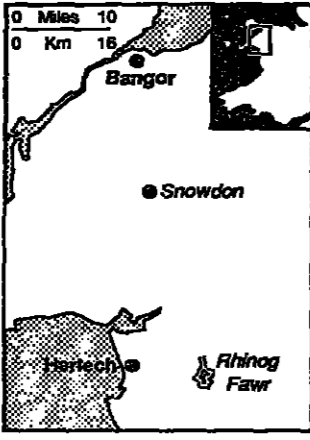
"One day, I came back from lunch and the Confessions was sold, and that started the bookshop."

Parsons had not seen a lick of paint since 1947. The door-boards creaked. Browsers shuffled about, kicking up the occasional cloud of literary dust.

Miss O'Flaherty ("I've never read a book in my life") came into the business by accident.

Walks Through History Steps across the ages

Peter Gillman introduces a new series with an expedition to an intriguing Welsh landmark



ery of the Rhinogs conjured tableaux from Breugel or even Bosch. A half-mile further on we reached the bwlch, or watershed, between the Arto and Eden Rivers. At 1,250 ft, it is marked by a substantial cairn, and it is here that the steps end.

Final chapter

"I was helping a friend out, upping the price at an auction. I raised my finger and the shop was knocked down to me."

Parsons used to sell household supplies and pails for children to collect worms from the nearby canal. "I had the Confessions of St Augustine and some religious poems in my flat and, as we had no stock, I brought my little library in and put it on the shelves."

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Miss O'Flaherty in her bookshop: "I will miss it so much"

ple," the ethereal descendants of the first hill-dwellers who were here before the Romans. The Druids too are said to have made their temples in these evocative places.

We struck up a gully that headed steeply for the summit of Rhinog Fawr. By now we were in cloud, rendered more chill by an insistent wind. The summit, a purpose-built cemented cairn, was still less hospitable, even when we nestled in a dry-stone shelter close by.

We did not linger, and used our compasses to steer down Rhinog Fawr's southwest ridge and then to strike due north another lake, shown on our map as a strange glove-shaped expanse known as Glowy Lyn.

Then came one of those moments of revelation that the mountains can bestow. As we emerged from the clouds the lake glistened in the monochromatic gloom, showing us the way ahead across the rough, boulder-strewn ground.

We picked up the main path that cuts a trough through the purple heather surrounding the lake. We breasted a small rise and there, 540 ft below, lay the long, confident line of the Roman Steps - and walking no less confidently down it were Leni and Janet.

We plunged down the hillside and caught up with them. Although Leni's elbow was sore, she was at least dry. They were to the watershed and judged it a splendid outing for any walker, "providing they can avoid falling into the river near the start." We agreed, and the picture of the Roman Steps, cutting its sensuous path through history, has provided me with one of my sharpest mountain memories.

heart. "We had a young girl here once who was only 14 or 15 and he used to propose to her every time he came in. He said she had the joy of life in her face, so much expectancy. She would run to me and hide. She eventually became a nun."

Miss O'Flaherty says Kavanagh would often come into the shop to read the racing news in the lowest class of English newspapers. "He was a creative genius. He used to pick up a book, take it to the canal and bring it back. We had many customers like that. We never charged them."

Miss O'Flaherty used to work in a high class fashion shop in Dublin. At one time, she would stay up till 2am playing cards, but in recent years she followed a strict routine. Into the shop after 10am, lunch at noon in the little restaurant across the road, three hours behind the counter in the afternoon and home for a siesta.

But now, she had to admit the shop had become a little tiring. "It is very sad. I will miss it so much." The others, referred to by Miss O'Flaherty as "the girls," agreed. "It is like dismantling your life," says Miss King.

Browsers past and present will mourn the passing of Parsons. Hugh Leonard, the playwright, has written verse in the visitors' book: "Beside My Nile Miss O'Flaherty You turned the Grand Canal into a Ganges."

Eating Out Scots offer more than broth

Nicholas Lander takes a gastronomic tour north of Hadrian's Wall

SCOTLAND is home to many of the finest culinary resources - beef, salmon, deepwater fish and a wonderful variety of game both on the wing and on the hoof.

Such delicacies have never been cheap, even when cooked in their simplest form - very often the best - but have served those hotels and restaurants which have consistently only served the best. Hence the continued success at the top of such august dining rooms as those at Inverloch Castle (0357-2177) just outside Fort William, or the Peat Inn (033-304-304) in Fife.

There has been a similar range of produce at the opposite end of the scale - oats, haggis and herrings. This traditional fare, however, offers first-class cooking and very interesting wine lists.

This has changed in the the 1980s. Tourism is now Scotland's biggest industry, with a turnover of £2bn and employing 60,000 people full time.

However, the Scots themselves must take a great deal of credit. Their sense of occasion, their marketing of Scotland abroad and raised standards at home with the same vigour as their 19th century counterparts built

bridges and ships. When Glenaesles Hotel (0764-62231) was bought from British Transport Hotels in 1982, it used to close at the end of October until March. Now it is open all year and due to special interest weekends, very good all-round sporting facilities and much better cooking, is enjoying an occupancy rate of 80 per cent for the year.

Hand in hand with this has been the opening up through-out the 1980s of smaller country house hotels, run more as private houses with guests. This culminated in late 1988 with the formation of Scotland's Heritage Hotels, which represents 28 such hotels from a central office in Edinburgh

emphasis has moved away from the centres of Edinburgh and Glasgow leading to a resurgence of good eating places in residential areas. Second, the success of owner-occupied restaurants. The residents of Glasgow owe a lot to Ken McCulloch and Peter Jackson at the Colonial (041-552-1923) and to Ferrier Richardson at October (041-943-7272). Their Edinburgh counterpart is Ian Ruthven.

In 1980, Ruthven opened Skippers in Leith, a bistro in a cul-de-sac in what was then a very neglected, run-down district of Edinburgh. He was accused of being mean and/or reckless - both in fact essential requirements for any bud-

ding restaurateur. Skippers was a success and prospered with the area; it was sold and he turned his attention to the narrow canal to the Waterfront Wine Bar (031-554-7457). Leith has not become so gentrified that Ruthven finds his own development plans thwarted by the residents who have moved into Leith since he showed just how fashionable it could be. He has to be content with serving very good food at very good prices - a phenomenon particularly common at lunchtime in Edinburgh, where the set menu at Piere Victoire (031-225-1721) is £4.50 for three courses and at L'Auberge (031-556-5888) is £8.50 for two courses and coffee.

Since 1984, Ruthven has also been able to put his skills to work at the cafeteria in the Gallery of Modern Art, Edinburgh.

Wine Time is kind to the '79s

concentrated flavour, very fine balance. A wine much enjoyed by all. Pétus Big colour, rich, rounded bouquet, developed quite well, easy drinking and attractive, but not great character for a Pétus.

All agreed that the wines, save Latour, were above expectations for a good but not outstanding year. There was little disagreement over the order of preference. This was as follows, with the total of votes included: 1. Cheval-Blanc (7); 2. Mouton-Rothschild (11); 3. Margaux (24); 4. Pétus (27); 5. Lafite and Haut-Brion (25); 7. Ausone (4); 8. Latour (45).

Cheval-Blanc had come out top last year with the 1978s, and now scored five firsts and one second, while Mouton-Rothschild's score ran from first to third. After the two most favoured wines there was a clear gap in the marking, but the next three were very close together. Although facing severe competition, Ausone did prove rather disappointing, although it takes time to improve the quality and character of a vineyard.

Latour was a disappointment and a surprise, as a bigger wine was expected. It has to be borne in mind that, as on all such occasions, the wines were judged on a single bottle. It so happens that a year earlier, in a big vertical tasting of Latours in the US, a distinguished English wine writer gave a very different account of the 1978: "Profound, black-currant nose... still a bit of the Latour austerity... a lot of concentration, depth and size for the vintage; surely one of the superstars of the vintage." Yet, in our tasting it received three sevens and three eights.

On the other hand, a more recent evaluation of the 1978 clarets by the same writer was much more critical of the Mouton-Rothschild: "Full colour rather unforthcoming on the nose - certainly has merit but I can't find real Premier Cru

firm flavour, its appreciation depended on one's taste in claret. Margaux. Surprisingly deep colour, bouquet still closed. Very fruity but far from ready, although with fine style. All were impressed by the depth of colour. Lafite. Full colour, elegant, vanilla bouquet. Some acidity and light-bodied. Lacking "size" and structure, it falls away a little on the palate. All admired the colour and vanilla nose. Mouton-Rothschild. Huge colour, vanilla aroma, very round, easy-to-drink and well developed. An engaging wine that was popular with everyone. Latour. Big colour, as expected of Latour. Strong lanolin aroma, perhaps over-oaked, but a surprisingly soft, velvety flavour although lacking body and style. Thought disappointing by all. Ausone. For many years Ausone lacked first-growth quality, and was not included in these occasions. But a new régisseur in 1978 transformed the wine rapidly and, last year, we tasted the 1978 with the others. The 1979 - a gift from the chateau - showed promise but was much lighter than the other wines. There was an agreeable St Emilion nose but a slightly sweetened, chaplained taste and it lacked distinction. Opinions varied on it. Cheval-Blanc. Medium colour, lovely round bouquet that comes out of the glass, rich

burgh, it would be wonderful if something similar could be made to happen at the Burrell Collection in Glasgow, where the café is as poor as the collection is wonderful.

To meet this growing demand there has been a similar growth in the number of farms able to supply good quality salmon and venison. Where the local resources are particularly good and abundant, good local café and restaurants do not seem far behind. The Loch Fyne Oyster Bar has opened close to the owner's own oyster beds and smokery (049-92264); close by Arbroath at Auchintie, But'n'Ben (0241-77223) serves world famous Arbroath smokies and Aberdeen Angus steaks; while the quality of the fish in Aberdeen was enhanced by Tuna Dejean from Milan, south-west France, to open the Silver Darling (0224-676-223).

The quality of Scottish cheeses has also risen dramatically. In particular, Lamsart Blue and Mull of Kintyre and demand is leading to a proliferation of goats' cheeses, some produced on a very small scale. When the chef at Glenaesles found himself bowled over by a Teviotdale goat's cheese, he had to agree to buy its total output to ensure continuity - from four goats.

For those unlucky enough not to be able to venture north of the border, it is still possible to enjoy this culinary renaissance. The Rannoch Smokery in Perthshire, which has been wild red deer for the past three years and offers by post smoked venison at £3.60 per quarter; smoked venison marinated in olive oil and herbs at £3.90 per quarter; and smoked venison pâté at £2.50 for 250 grams (0282-844). All make excellent first courses.

Also in Perthshire, Smoked Salmon of Perth produces wonderful wild smoked salmon at £3.05 a lb and gravad lax at £11 a lb. (0302-639). All prices are plus postage.

Finally, there is the Scotch Mutton Whisky Society in Leith (031-554-3451). Founded five years ago by Philip Hills, its aim is to buy the finest malt and to sell it, untreated, to members at cask strength.

Edmund Penning-Roswell

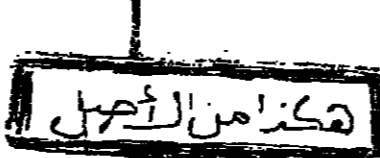
Wines of Westhorpe - for more wine value

BULGARIA

Table listing various wine types and prices, including Cheval-Blanc, Margaux, Lafite, Haut-Brion, Ausone, Mouton-Rothschild, Latour, and others.

To advertise on the Arts & Diversions pages please ring either Julia Carrick - 873 3176 Alison Nunn - 873 3168 Jane Emma Peerless - 873 3168

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HOW TO SPEND IT

Lucia van der Post looks at high-fashion hats and sheds some light on the conservatory craze



Hats to turn heads

THE SEASON for a proper chapeau is upon us. Even now, the ladies-who-lunch are making sure that each carefully chosen outfit has the right pair of shoes, bag, belt and - above all - a hat to turn a mere suit or frock into a fitting *numero* with which to grace the Royal Enclosure at Ascot, the green swards of Henley or the garden party.

Nowadays, however, hats do not come cheap, and if one leads the kind of life that requires a different outfit - including a different hat - for each of the four days of Ascot, then even the fittest of purses can balk at the cost.

Gilly Forge, a young milliner who started learning her craft on an Inner London Education Authority couture dressmaking course, went on to work for a few months with Freddie Fox, and just two years ago started her own business under the Enterprising Allowance Scheme, has hit on a useful idea - hiring out her hats.



Although she has been going only two years, her work has already been spotted by designers like Jean Muir, Arabella Allen, Amanda Hamill and Bellville Sassoon. Besides her work for these and other clients, Forge always has about 50 different models ready and waiting for the right customer and the right occasion.

Many come to her with a dress or suit in hand and between them, they work out which hat will provide just the right finishing touch. She will dye straw, trimmings and veiling to any colour and her made-to-order hats cost between £100 and £125.

If you really belong to the hat-wearing classes, however, she thinks it makes a lot of sense to buy a basic straw for about £50 and then hire the trimmings. Silk roses and other hats and pieces are cheap, but she can hire you a hatful for about £25. As and when other occasions arise, you could return the straw to order, using either some of her silk veiling (of which she always has a great deal) or a completely different selection of other trimmings.

If you do not often have occasion to wear a hat but you have something grand looming, it makes even more sense to hire for the day. For £25 and a refundable deposit of £50, you can borrow any one of Forge's magnificent collection; and if you give her enough time, she will trim it to match your outfit.

The hats sketched here give some idea of her style. From left to right they are: North Wall, a fine white straw

banded with navy grosgrain and sporting a large pink-rose; Days of Heaven, a white straw trimmed with a misty confection of white silk veiling and a white rose; and Marlene, a saucer number of coarser coffee-coloured straw trimmed with veiling of the same colour and a navy-blue bow.

Forge is so busy actually making the hats that she asks potential customers to telephone first for an appointment (01-503-3823). Her studio is at 14 Addison Avenue, London W11.

If you prefer more individual, one-off or even eccentric kinds of headgear, then it could be well worth your while to take a trip round the hatiers of Hyper Hyper, 26-40 Kensington High Street, London W1.

Hat fanciers may well remember that it was while strolling through Hyper Hyper that Karl Lagerfeld came upon the work of Kirsten Woodward, who has since gone on to greater fame and glory.

Hyper Hyper is where you will find the young and enterprising work of milliners just starting out on their hatting

careers. There are five hatiers working in the Hyper Hyper complex, each with a distinct "handwriting" of their own.

The ethnic theme is strong this summer - little jewelled skull caps, fezzes, tassels, bright Mexican colours and rich embroidery. Not all the hats are one-offs but they are certainly not mass-produced, so you are unlikely to meet too many friends attired similarly. Given that prices of all the established hatiers are now exceedingly high, Hyper Hyper models seem to me reasonably priced, starting as they do at about £19 and with a large selection under £50.

If you are of the school that

doesn't believe in lashing out large sums of money on a little number that might get only a few sittings, then it is worth scouring some of the chain stores. The cardinal rule to remember is that if you are buying cheap, keep it simple - nothing looks so cheap as coarse, shiny veiling and shoddy trimmings.

By some historical quirk, BHS has traditionally had an excellent hat department, and this the new team has been determined not to lose. Photographed here is a splendidly bold and simple natural straw trimmed with black, navy or natural ribbon. At £15.99, it's a snip.

Cookery

Be frivolous with flowers



WHEN THE lanes are awash with a white froth of cow parsley and common hedgerow elder, the delicious frivolity of cooking with flowers seems irresistible. Old country recipes suggest picking elder and other blossoms for use in the kitchen "as soon as the dew has dried on them, before the sun blazes," and they advocate choosing those that are just opened fully. Pretty words and sound sense, too, as young flowers picked early in the day certainly have the freshest and sweetest aroma.

They advise against washing the blossoms as it robs them of much of their fragrance. Just shake the creamy masses of foaming particles well to dislodge any little insects or dust that may be nesting in them. I would add to this counsel a reminder not to pick close to roads for fear of lead pollution, or on the fringes of fields where crops may be sprayed.

One traditional way to cook edible flowers is in batter. Elderflower fritters are, I confess, not the healthiest of foods, and they are a bit of a bore to make if you share my dislike of deep-fat frying, but they are too glorious a treat not to indulge in at least once each summer.

To serve four to six, first mix three tablespoons caster sugar with the juice of a lemon in a shallow dish. Add 18 fine blossoms, placing them heads down, and use the stalks like handles to swirl them around in the mixture. Leave to macerate for about two hours.

Make a thick batter with 4½lb plain flour, two tablespoons sunflower or safflower oil, and eight tablespoons water. When ready to cook, drain the blossoms. Beat the macerating juices into the batter, then fold in one large or two small, stiffly-whisked egg whites.

Coat and deep-fry the blossoms in batches: holding the flowers by the stalks, dip them into the batter, shake off excess, lower into a pan of oil

beaten lightly with a fork. Place over barely simmering water and cook, stirring frequently, for about 15 minutes until the eggs bind and thicken the mixture to a rich creamy consistency. Pot in small sterilised jars.

Longer lasting, and capturing the sweet summer fragrance of the blossom on its own, is elderflower syrup. To make this concentrated elixir, dissolve ½lb sugar in 1pt water with the zest of a lemon. Bring to the boil and add 12 heads of elderflower, or 24 if you love them extravagantly. Push the flowers well down into the liquid and bring back to the boil. Cover and set aside until cold.

Then stir in the juice of the lemon, strain the syrup and bottle it. If stored in the fridge, it should keep without spoiling for nine months or more, almost tiding you over from one elderflower season to the next.

Use the syrup to flavour late summer gooseberry desserts and as the basis for autumnal mousses and jellies studded with muscat grapes. Uncork the syrup in mid-winter and memories of summer will come flooding back as you wash a few drops over pancakes or whisk them into an egg custard to pour over steamed and baked puddings.

Elderflower cordial is the thirst-quenching offspring of elderflower syrup. Make the syrup as described above but add the juice of four or five extra lemons. Bottle and store as for the syrup. Serve well chilled, diluted with just over four parts of lead water to one

CONSERVATORIES are no longer extravagant, exotic hothouses, devoted to rare botanical species and keeping the grim realities of what is usually called our temperate climate at bay.

Today, with central heating and double-glazing, the conservatory has become an extra room for anything from family breakfasts to soft-lit dinners. They range from a lean-to to extravagant rooms large enough to stage a ball. Most are in between, giving not just extra space but space with an extra dimension to it, space that provides a magical, enchanted link between outside and in. The glass conservatory has none of the limiting visual restraints of the four-walled room indoors, nor is it exposed to the rigours of outdoors. No wonder sitting on a conservatory has become a great 90s pastime.

You may be happily surprised by some of the starting prices. The do-it-yourself market has increased enormously and many big DIY stores have well-priced versions. You can pay as little as £388 for the smallest (8ft by 6ft, by Halls) made from aluminium frames and horticultural glass. The largest (12ft by 8ft) is £1,536. Even the simplest structure, when lit with candles or lanterns, can generate an atmosphere of quite astonishing magic.

Those who can afford to have them custom designed and made ought to get a

Window to a new world

structure which complements the house and site. Those who long for a model with an aura of Victorian nostalgia are in luck - most companies seem to have modelled themselves on the Victorian prototypes.

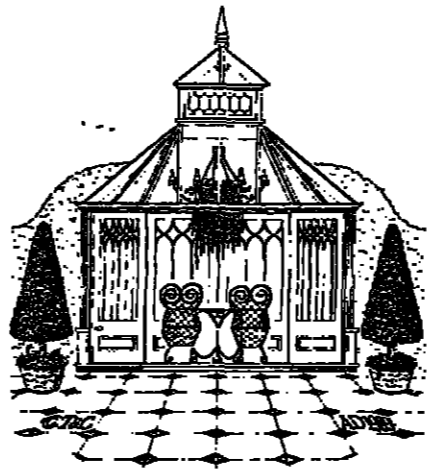
However, two companies have moved into the more eclectic Gothic style. Town & Country Conservatories builds only to order, with frames of redwood and fine glass. They have a wide variety of models, but most look authentically "period," with mouldings, patterned lantern sashes of leaded glass, traditional metalwork and graceful curves.

The conservatory sketched below left is the Gothic pavilion that Town & Country Conservatories built for House & Garden at the Chelsea Flower Show, but it illustrates their style perfectly. You should

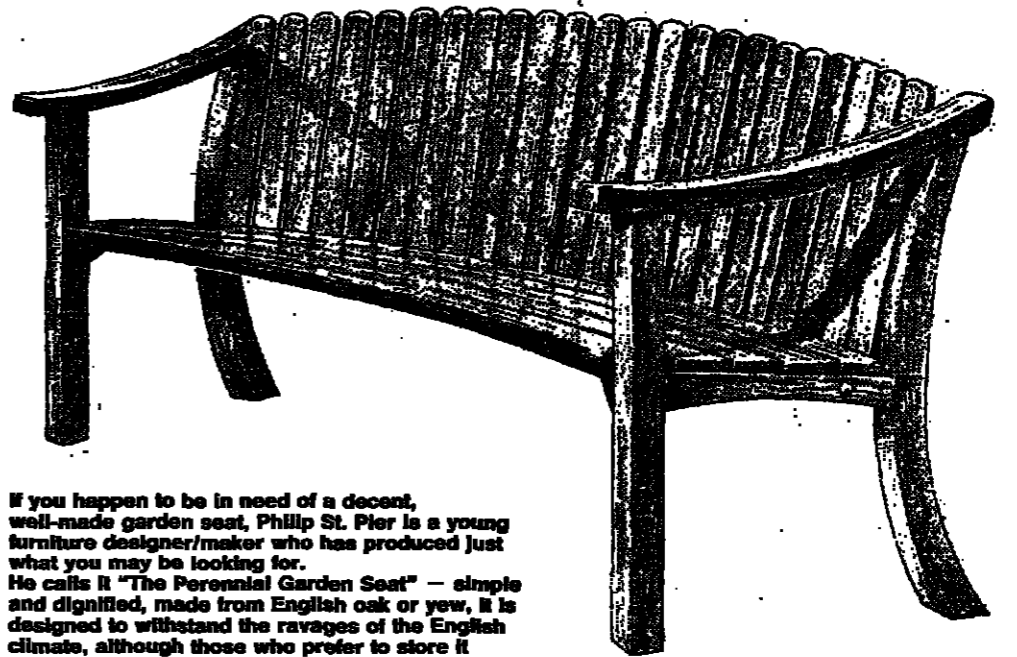
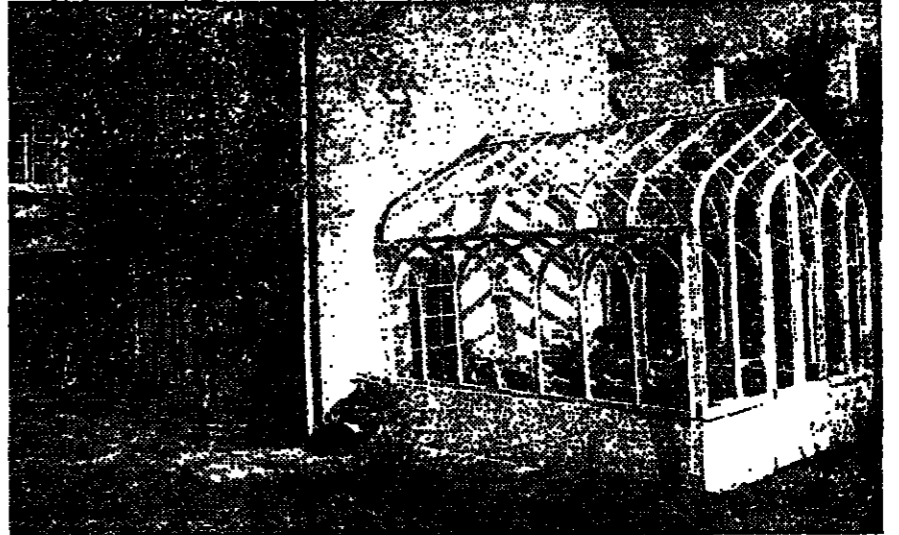
think in terms of spending at least £10,000 all in for a small structure, whereas if you wanted, say, a 35ft square dining-room in your garden it would probably cost between £20,000 and £30,000. Though the workshops are in Norfolk the London office is at 53 Ellington Street, London N7 (tel. 01 505-9519).

Quite different in concept are Tim Barron's Crystal Palaces. Here the Gothic effect is achieved by using a series of arches, all made of glassfibre, which never rots and needs no painting or maintenance. Glassfibre gives the structure a "period" look and lends itself to the soft curves of Gothic arches. Toughened glass is a standard feature but double glazing and roof ventilation are extras.

Though all conservatories are made to order, designs are all based on the same module and they can be ordered in any size in multiples of half a metre. There are three styles - lean-tos, low lean-tos (where the height of structural wall is a problem) and a conventional ridged design. A lean-to 3 metres by 3 metres would cost £4,495 (£5,843 with double-glazing), erection costs are about another £750. You could have a 4.5 metre by 6 metre model for £3,639 (£12,530 double glazed).



Those who prefer their household implements to be classical and timeless should look out for a company called Recollections which, among other products, is now reproducing a proper, old-fashioned watering-can. Made of galvanised steel, with a brass rose and copper rivets, it is a close copy of the Ludlow watering-can beloved of Vita Sackville-West. When new it will look a little bright, but a little exposure to the air and it will mellow splendidly. There are two sizes, one gallon (£20.95) and ½ gallon (£15.95), by mail order from Recollections, 15, Queen Anne's Gate, London SW1H 9BU. Until the company gears up to full production, delivery may take up to eight weeks.



If you happen to be in need of a decent, well-made garden seat, Philip St. Pier is a young furniture designer/maker who has produced just what you may be looking for. He calls it "The Perennial Garden Seat" - simple and dignified, made from English oak or yew, it is designed to withstand the ravages of the English climate, although those who prefer to store it throughout the cold winter months can take it apart, treat it with oil and store it away safely. The seat costs £433 (plus VAT) and is made to order from St. Pier Custom Built Furniture, Street Farm Workshops, Acton Turville, Avon GL9 1HH (Tel. 045 421-736).

Drawing by James Ferguson

DAVID GOWER AND CHARLOTTE RAMPLING TOGETHER (AND NOT ONE MENTION OF GOOGLIES).



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Philippa Davenport

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ARTS

ON JUNE 14 Phillips is offering for sale 26 items from the archive of Novello, the celebrated music publishers. With a good following wind they could raise £500,000 for Granada, the former owners of Novello, which kept the archive when it sold the company on.

The highlight is one of the most fascinating musical documents to appear on the market, an album belonging to the firm's founder, Vincent Novello, in which he amassed musical autographs from the great composers of his day, (the early 19th century), plus contributions from relics from the even greater age that preceded it.

The album opens with a snatch of Mozart donated in 1829 by the composer's widow, and there is also some Beethoven. Liszt, Mendelssohn, Paganini and the like were on hand to write in their own mementoes. Oddly enough, the manuscript passed out of Novello's hands and was only recovered, through Sotheby's, in 1950, for less than £1,000. Phillips consultant Felix Pryor has placed a fairly conservative estimate of up to £50,000 on it, but the range of enquiries suggests that it could go for more.

Novello also acquired the other most important lot, Mendelssohn's annotated score of his oratorio *Elijah*, at the same time. The composer fell out with Vincent Novello and switched his work to his great rival, Ewer. But Novello bought up Ewer in 1877 and thus secured a manuscript of music which was only performed in its original form once, at the initial performance

Saleroom

Musical autographs

Antony Thorncroft notes the highlights of the Novello archives

in Birmingham in 1846. Despite the fact that it was an instant success, Mendelssohn took the score away and severely amended it to the version which has subsequently been performed. Phillips has placed a top estimate of £50,000 on *Elijah*, but the autograph final draft of the composer's second piano concerto could go for double this sum.

The British Library has secured many of the key Novello manuscripts and the important Elgar collection has been donated to his Birthplace Trust, but there should be keen bidders for such footnotes to the national heritage as Sir Arthur Sullivan's autograph setting of "Onward Christian Soldiers," estimate up to £5,000, and for his "Irish" symphony, which has been described as the greatest symphony composed by a Briton in the 19th century.

The sale is a challenge for Phillips, which has no great tradition in this field. It raised some eyebrows when it originally described some of the manuscripts as "re-discovered," when in fact they had been on loan to the BL, but the quality of the material should see it home.

Musical manuscripts have featured prominently in the auction rooms for over a decade now, with prices steadily rising. They attract



Mozart's Canon for 4 Voices, donated by his widow

international interest since music is the international language and there are keen collectors in the US and in Europe, plus a few in the UK. Most of the major auctions have taken place at Sotheby's, which showed the strength of demand on May 19 when it held a successful sale. Perhaps the most encouraging feature of the session was the appearance in strength of Japanese bidders. They did not secure any of the top lots, but a Bizet overture, for "L'aristocrate," went East for £19,800.

Mozart, whose musical reputation has never been higher, naturally attracts most collecting interest. He holds the auction record in the sector, the £2.35m paid at Sotheby's in 1987 for autograph copies of

nine of his symphonies, far outstripping the previous record - £330,000 for Stravinsky's *Rite of Spring*. Mozart also set the highest price on May 19 when an aria for soprano and orchestra written for Josepha Weber, who was the first Queen of the Night, went for £104,500.

The manuscript was a "discovery," as were two movements for piano duet, one of which sold for £41,800 to a Munich dealer and one of which was bought in. Mozart is popular, but he is not especially rare. Neither is Beethoven. In contrast, little of Bach's music in his own hand has survived and he commands a premium, as does Handel.

But it is not only the composers of the early 18th cen-

tury, and before, who are expensive because they are hard to find. Autograph music by a 20th century composer, like Dvorak, is surprisingly elusive, as are original works by the East Europeans. At Sotheby's sale a signed photograph of Smetana (with the signature on the back) topped £6,000, a more surprising price than the £11,000 paid in the same auction for a lock of Mozart's hair, along with some of Beethoven's tresses.

Availability has told against Liszt and one of his most important manuscripts, "Auldul," elegantly presented "as fresh as when the composer laid down his pen," failed to reach its £30,000 reserve. In contrast, a less exciting Liszt manuscript realised £77,000 two years ago. But Verdi's working manuscript of the libretto of *Un ballo in maschera*, which includes the censor's marks necessary for an opera about the murder of a king, was on target at £28,000.

To many the attraction of musical manuscripts might seem odd - indecipherable squiggles on lined paper have limited appeal. But enthusiasts compete fiercely to secure the tangible moment when great music was created. There is an increasingly active market, but the main buyers are rich music lovers or museums.



Josephine Baker in her heyday in Paris

Best of Baker

AT THE Shepherd's Bush Library, through June, there is a small but choice exhibition in commemoration of Josephine Baker, who was born 83 years ago today. Since her death in April 1975, the legend of Josephine's unequalled verve and glamour and personal fight against racism has only persisted and grown.

The exhibition is drawn from a remarkable private collection formed by Bryan Hammond, which also provides the dazzling visual part of the recently-published biography *Josephine Baker* (Jonathan Cape, £28), with text by Patrick O'Connor. Both exhibition and book vividly evoke this extraordinary talent which took Paris by storm in the 1920s.

She was, said Hemingway, who claimed an affair with her, "the most sensational woman anybody ever saw. Or ever will." In her next show, *Chocolate Dandies*, the poet e.e. cummings described Josephine as "a tall, vital, incomparably fluid nightmare which crossed its eyes and warped its limbs in a purely unearthly manner."

Paris, however, made Josephine. She arrived there in 1925 with the *Revue negre*. Her

permanent image was crystallised in the posters and portraits of Paul Colin. The *Revue negre* coincided with the Exposition des Arts Decoratifs; and Josephine, with her superb sculpted body and hair plastered like a close helmet on her oval head, was Art Deco.

Curried by artists and intellectuals of the day, including Picasso and Cocteau, she was the first major star to dance nude, or wearing only the celebrated loin covering of bananas. Colette wrote that "Josephine Baker, in the nude, shows all other nude dancers the meaning of modesty."

Josephine was generous, brave, incautious, God-loving rather than God-fearing; "that dear, mystic, magical, unpredictable, electric, foolish, generous and warm woman," one of her managers called her. Several returns to the US ended in scandal and humiliation on account of her angry protests against racism.

More and more she regarded herself as French. During the war she took grave risks working for the Resistance and as a secret agent - services for which she was subsequently decorated. She defied repeated heart attacks to sing for the troops, and for the Buchenwald survivors.

After the war she put her by now passionate ideals of universal brotherhood into practice by establishing her "rainbow tribe," a family of a dozen adopted orphans of every race, at her chateau in the south of France. The beautiful experiment was something of a debacle. Josephine, who had never had a family life herself and was obliged to keep working to keep them all, was, albeit loving, an inept mother.

Nor was she a great economist. One of the saddest pictures shows Josephine, no longer young, barefoot in shower cap and blanket on the steps of the house where she had been thrown by the bailiffs, surrounded by her possessions like some beg lady.

She ended in a blaze of glory. On April 8, 1975 she was fitted in a gala performance of a new show at the Bobino to celebrate the 50th anniversary of the *Revue negre*. She presided at a party did including Josephine's very first recording, for the French firm of Odéon in 1926. It has Kern's "Who?" and Gerashwin's "That Certain Feeling" on the other. Josephine had class from the very beginning.

Janet Marsh



Henry Moore's hand, snapped by Snowdon in 1953

Snowdon's witty ways

I WONDER whether the Brighton Festival organisers realise that less than a year ago the Butcher-Saw away from their exhibition at the Art Gallery there is an alternative tribute to Snowdon? For that matter, I wonder whether those people pressing their faces against oval cutouts and being snapped as Charles and Di realise the versatility of the man who took the world's most famous engagement photograph?

Lord Snowdon is most widely known as a photographer. Some remember that he is the designer of the Modernist's aviary at London Zoo. What will come as a surprise to virtually everyone is his wit, and his passion for making and designing all manner of things, whimsical and worthy. From an impromptu, white-painted cricket match. Could that really have been only 30 years ago?

Sadly, there are few of the action pictures, taken during dress rehearsals, that were a major contribution to the stage photography of the 1950s. That said, the most arresting image in the show is struck by the eerie glow of the whites of Alec Guinness' eyes in *Hotel Paradiso*.

In 1958 he designed the sets for *Keep Your Hair On*, and a handful of films later a rocking chair for Lord Weldenfield. We find the successful Chairmobile which fitted any chair and offered a dignified alternative to the wheelchair, and a streamlined fold-up weekend wardrobe which one could buy at Heal's for £30 - but only three people did.

A silver spoon mangled in the waste-disposal becomes a brooch. A bottle of Berry Bros Good Ordinary Claret suspended in mid air poured

water into a urn to make an eccentric garden fountain. It took a while to work that one out, buffeted by the visitors sneezing past in what is unfortunately a cramped and ill-designed display.

The show's apposite sub-title is "a light-hearted look at people, places and things". Ultimately, it is the people - the photographs - that prove most intriguing. The 1950s are documented by zany fashion shots, and with a Cartier-Bresson eye on the world (here the great man is snapped in the sunshine wearing Lady Sarah Armstrong-Jones's straw hat), Armoured battalions of uniforms advance down Kensington Gardens pushing perambulators, formidable doggie-ladies bark at Crufts, and there are carriages at the Eton-Harrow cricket match. Could that really have been only 30 years ago?

There seems to have always been a fascination with the capabilities of the human body, whether Nureyev's, Frank Bruno's or, I suppose, Danny La Rue's uncanny capacity to look like Sophia Loren. He has a penchant, too, for people who resemble their dogs - Barbara Cartland and Pekinese, Craigie Aitchison and poodle.

A number of the portraits are self-conscious or trite or lazy. It is simply not good enough to put Olivier in a heavy jacket and hat and snap him. Snowdon is at his best when he finds his subjects engaged in their own milieu, or alludes to their work. Thus Barry Humphries' head pops out of a commode, Peter Boydell QC straddles a chair naked but for his hiking boots in a parody of the famous photograph of Christine Keeler, and David Hockney, in sneakers and striped shirt, is where else but in the shower?

Snowdon seems to have an affinity with artists of every kind. The photographs he took for *Private View* (1965), a study of the London art world, are among his most imaginative and perceptive. A compelling series contrasts the delicacy of Menuhin's hand with the rugged skin and jagged nails of Moore, and the impossibly chubby fingers of Paolozzi. The *Private View* theme has been updated, not entirely successfully. Liz Frink is given the monumentality of sculpture, the loosely woven scarf she is wearing could almost be a Greek chiton. The defiant Louise Nevelson looks - and was - magnificent. But the image that haunted me was a photograph of the home of Alexander Calder, the sculptor dancing a jig to his wife playing the accordion.

The exhibition, sponsored by Martini & Rossi, continues until July 23.

Susan Moore

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Hosted by Barry Norman, it featured Cantabile (in their version of the theme song), John Walters of Radio 1 with greetings from the Eddie Grundy Fan Club, Zandra Rhodes and Glensy Kinnoch. Everyone had a good time there too, especially the cast of *The Archers*, who didn't have to perform. Zandra Rhodes reckoned, as I do, that the programme should go on the World Service.

Radio

Extras in the sporting field

EXTRAS ARE scored highly this week. Cricket isn't normally an extra on Radio 3, but now they have *The Bradman Papers* and they are, the first, on Wednesday, a whole hour (childhood to first English tour), was given full importance. The tapes are interviews with the Australian commentator, Norman May.

May has clearly been a lifelong fan, so the talk is often technical as well as intimate, and I must play back to it lest I am caught behind by Teresa Maclean, who was a bane at both Oxford and Cambridge. Six shorter tapes will be broadcast on the Friday lunchtimes at the Tests.

A sort of extra was BBC *Radio Goes to Town* at the Nottingham Festival. Radio 1 took their roadshow to Wollaton Park, John Walters considered the local music scene. Simon Bates ran a talkshow looking at, guess what, the music scene. Radio 2's Ken Bruce toured the city in a coach-and-four on Monday, seeking reminders of Robin Hood, one of which was your actual Sheriff of Nottingham, and on Thursday Wally Whyton and his Country Club gave two hours of country music.

Radio 3's good luck was the second Texaco Trophy game at Trent Bridge, and a visit from the BBC Symphony Orchestra. During the interval at Wednesday's concert, there was an anthology of prose and poetry all about the city. On Radio 4, Robert Kilroy-Silk gave *Start the Week* on Monday live from Nottingham Playhouse.

Last Saturday evening and the following Monday afternoon, Radio 4 gave in two parts the first radio broadcast of a story by P.D. James, the Dorothy L. Sayers of our day. It was Sayersish in its way, with its literary quotes; but the construction was more like Christie, with an assortment of murder-suspects in a closed situation, as in *Ten Little Niggers*.

has built a small theatre, and who also collects sinister curios, such as a marble copy of a royal princess's arm. In such circumstances, Clarissa decides to hire a companion-decoteive, Cordelia Gray, who is played with nice restraint by Greta Scacchi, her first part on radio.

In the Saturday shift, Clarissa is murdered with the arm, her face battered. Clues are distributed in a way I should not detail, but I can say that Clarissa's husband, Sir George (Richard Vernon) arrives unexpectedly on the island; her cousin Roma (Patricia Garwood) is anxious to get at her money, simple

Simon (Richard Pearce), on leave from school, was swimming at the time. What of Goringe, the owner of the island of Ivo Whittingham, the critic (Norman Rodway); of Clarissa's dresser, Tolly; of Munter the butler, who, on being told of the murder, gasps "What in our house?" like Lady Macbeth?

Some (not all) of their several involvements are explained in the Monday part, and people linked, rightly or wrongly, with the death. It was entertaining and exciting, well played, and well directed by Matthew Walters.

B.A. Young

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ARTS

World of the medieval

Antony Thorncroft reviews Piers the Plowman at Riverside Studios

THE MEDIEVAL Players are a touring troupe who look for their repertoire to the drama of the 14th century and earlier. Piers the Plowman must have had an irresistible fascination for them: the greatest surviving English poem of the 14th century and, through its allegorical symbolism, an attack on monetarist values to inspire any Fringe actor's heart.

AMID ALL the brouhaha of Thursday night's opening at the Phoenix Theatre of the Peter Hall Company's new production of The Merchant of Venice - "Did you see Mary Archer arrive late?" "Doesn't Joan Collins look marvellous in a peculiar sort of way?" "I'm sitting next to Tom Stoppard" - "Christopher Biggins is sitting next to Peggy Mount" - "Which one is Christopher Biggins?" - surprise was being expressed that Dustin Hoffman could actually walk on the stage as Shylock and not fall over.

Hoffman's Shylock

Michael Coveney reviews The Merchant of Venice



Leigh Lawson and Dustin Hoffman in Peter Hall's new production at the Phoenix Theatre

under the black hat he dons to answer the Gentle dinner summons. Is this play anti-semitic, or is it, valuably, about anti-semitism? I have always thought the latter, and indeed count it among my favourite Shakespeare plays, poised dangerously, like Measure for Measure, between tragedy and romance. It always grips me.

Fairies turn on the flower power in Regent's Park

SHAKESPEARE may be all the rage in the West End, with Dustin Hoffman and Alan Bates leading their respective new ad hoc companies at the Phoenix and the Strand, but some things never change.

That instruction grated on the free love assumptions of the hippie period, though Titania's sexual instability under the influence of Oberon's purple dye struck resonantly home. Sally Dexter, as the fairy queen in her flower bower with volcanic voluptuousness. She has obviously tired of the vicious ministrations of Saeed Jafrey's saffron-robed, unappealing Oberon, a leather-clad ringer for Emma Peel in The Avengers.



Nicholas Collett and Paula Bingham as Fraud and Lady Lucre

Some nasty shocks for opera buffs

HOW IMPORTANT is sound quality to those who watch opera on the small screen? It is tempting to guess "not very"; people who got into the habit in the days when TV loudspeakers were often rarer than they are now probably go for brilliance of visual image and let aural clarity go hang, perhaps not even bothering to connect their set to the hi-fi

despite the (frequently honest) promise of good stereo sound. Maybe indifference to sound is one factor in the comparative lack of enthusiasm so far for CDV, which combines a clarity of image seldom attained on video tape with a soundtrack that approaches the definition and depth of a good modern recording.

Video

the discs themselves do not come cheap compared with video tapes. Nor was the repertoire on offer at the original launch last year exactly earth-shaking: who needs something as tatty as the Kismet Opera when something just as tatty in the form of Zeffirelli's version is available at under half the price on tape?

one of the comparatively rare opportunities for straight comparison of two versions of the same opera, Samson and Delilah, the disc should be loaded on technical grounds before ever one gets round to the performance themselves. The San Francisco Opera version (Virgin VVD 983) is in washed-out colour and the overloading of the choral sound results in distortion that has one hastily switching off the stereo and reverting to TV sound.

As always, Isma Cotrubas is so enormously appealing to look at that all worries about quavery tone and shortness of breath are dispelled: here is a complete Ninetta. David Kuebler not only emerges unscathed from the hideous technical difficulties of the tenor role but often sings it extremely beautifully, and Brent Ellis is exceptionally vivid as the heroine's father (he is given the frequently cut second-act aria, and certainly earns it). The only disappointment is Alberto Rinaldi, who funks the semiseria aspect of the Foderata's role and settles for melodrama - a pity, as the way the rest of the cast patently believe in everything they are doing is what makes this performance of a noble and inspiring opera work so decisively.

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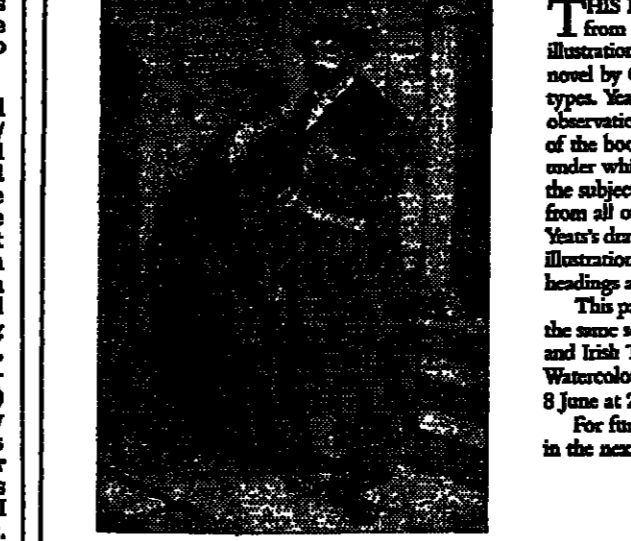
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Pick of the week

White could have won by 1 RxB, RxB; 2 P-KB4 (PxB); 3 BxB or QxP 3 R-KB1. Black could then have saved the game by 1... Q-N3; 2 BxB, P-B3.

CHRISTIE'S

THIS PORTRAIT of 'The Greater Official' is from a series of twelve oils painted by Yeats as illustrations to 'Kishamen All', a humorous and satirical novel by George A. Birmingham describing Irish types.



John Butler Yeats, R.E.A. (1871-1957): The Greater Official, signed lower right John B. Yeats, oil on panel, 14 x 9 in. Painted in 1913. To be sold at Christie's on 9 June.

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bundled into antagonistic oblivion by the smug Christians. No undue hanging about here for a nobly tragic exit. Hoffman gabbles a little, but Shakespeare is difficult and, as the star disarmingly admits, he is still learning. The performance has many striking qualities, not least its piercing detail in remembering the ring he had of Leah, in stropping the knife against his leather sole in the court, in winking at the Duke when the law seems to favour him.

As likely to find distinctive, worthwhile Shakespeare productions at the Old Vic or on Shaftesbury Avenue as you are at the RSC.

The Dream in Regent's Park is not fully comparable, I submit, to John Caird's current rousing Stratford-upon-Avon version, but it is part of the same levelling out process between the RSC and the rest. On paper, the two casts are equally promising, and design gimmickery is joyfully embraced in the cause of sheer entertainment.

Only seven of the 128 performances in Regent's Park were lost last year, even though we had the wettest July on record. And an audience survey revealed that 60 per cent of the audience came from inner London and were in the 24-44 years-old age group. Tourists accounted for less than five per cent, with 20 per cent coming in from the Home Counties.

These facts certainly overthrow one or two of my preconceptions. People go to Regent's Park for more than just a show. They go for a proper night out, which is more than you can do in the Barbican. Talbot is optimistic as he prepares a new production of Twelfth Night and ponders his role in a new musical version of Plautus's Miles Gloriosus. As the RSC's artistic shakiness in the post-Trevor Nunn era. You are

In such small ways are maintained the idyllic traditions of Sydney Carroll and Robert Atkins, who started the theatre in the early 1930s. Carroll in particular was proud of the imported turf on the acting scene and honestly informed an audience one evening that the company ranged behind him, "that every soul on this stage comes from Richmond." But where are they going? This year, the answer is San Francisco, with flowers in their hair.

Michael Coveney

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SPORT

It's Dubai's Derby at last

Nashwan is the only horse in it, says Michael Thompson-Noel

WATCHING the telly from Sandown last Monday, I did not see red. But I saw a lot of maroon with white sleeves, a maroon cap and white star. How could I not? For these are the racing colours of Sheikh Mohammed bin Rashid Al-Maktoum of Dubai, who was blown by he wasn't going to win Sandown's £35,000-added Henry II EBF Stakes over two miles.

Sheikh Mohammed and his brothers have assembled the mightiest bloodstock empire in the history of the thoroughbred. They own hundreds of horses, in Europe and America, and stud farms galore. They have spent millions and millions — and are now starting to reap their just desserts, not only on the racecourse but at their breeding farms.

'He's going to romp home by four lengths'

Occasionally, the Maktoums' mighty spending causes envy and chipliness. For example, some time ago Phil Bull, founder of Timeform, which produces analysis and ratings, told me that he had had to cut back as an owner and breeder because he could not compete with the Arabs: "These are people to whom money is of virtually no consequence. Their money, after all, comes spurring from the ground." The alternative view is that the Maktoums' heroic spending

and investment have given a mighty shot in the arm to English racing and breeding, and that their praises should be sung.

For all their successes, however, the Maktoums have yet to win the English Derby at Epsom — although the gap will be plugged if Nashwan wins next Wednesday in the colours (royal blue, white epauletts, striped cap) of Sheikh Hamdan Al-Maktoum, who has already had the privilege of watching this strapping chestnut son of Blushing Groom power to classic victory in the 2,000 Guineas at Newmarket.

(I am supposed, incidentally, to refer to next week's great race as the Ever Ready Derby, in honour of the sponsor, but I cannot be fagged. Not because of sponsorship by Ever Ready isn't generous — nay, bounteous — but because the Epsom Derby has been run for more than 200 years and will still be a dazzling spectacle in 2189 — which might not be true of deer or of horses.)

Stamina is important at Epsom; its switchback Derby course over one-and-a-half miles twists and turns and rises and falls before ascending to the winning post along a finishing straight that happens to slope steeply from right to left. What a horse race. However, a stamina index will tell you nothing about speed. So I abandoned that approach.

My next brainwave was to hide in the bushes on the training gallops at Newmarket and Pulborough with notebook and binoculars and jot down ringing phrases such as "Nashwan galloped six good furlongs, and then galloped back again," or "Cacoethes breezed gaily round three sharp corners, and then hit the vet." But I am suffering from yuppie flu, and cannot find the time. I have heard that the bushes attract some genuinely odd characters.

Whenever I am in doubt, I wheel out Plan C, which involves talking to bookmakers and tipsters, and asking them to manage betting shares, or take your money at the racetrack, but men of power and vision who control megabuck companies and swap bi-coastal assets. There are only three of them left. They are international



Nashwan, the heavily-backed Epsom Derby favourite, with owner Sheikh Hamdan Al-Maktoum

Greenwich Papillon. And he's a Northern Dancer. That we like. But he's a bit high and mighty — he cost Sheikh Mohammed a great deal of money. He is also lazy. He won't like the bands and the jellied eel stalls and the Derby crowd milling. Forget about Warsham.

"Only one horse will win the Derby, and that is Nashwan — a good winner of the Guineas and with that faster bit of speed that will leave them for dead inside the last two furlongs. He's by Blushing Groom, of course — nothing wrong with that — from a mare by Bustino — nothing wrong with that. We like everything about him."

"So you say to me — or perhaps you wouldn't — you're far too sturewd — that no Guinness winner has won the Derby since Nijinsky 19 years ago. Remember how Nijinsky's stamina was said to be problematic? That didn't worry him. And he started at Epsom at odds against — 11-8, can you believe it? — for the first and only time in his career. Those were the days.

"Nashwan isn't Nijinsky, but he's not bad at all. He's going to romp home. He will win by four lengths in near-record time at — let's just punch this button: talk to the big computer — 6-5 or even 5-2. You can have a five-figure bet, and a bit cramped. But I say to you — Nashwan's the best Derby bet of the past 15 years. I'll see you at Epsom. Enjoy yourself, my dear."

Each of those words is a pearl beyond compare. I shall have a five-figure bet. Nashwan is home and hosed.

To which end, the good sheikh sent out three of the eight runners: Sadeem, last year's Ascot Gold Cup-winner, scooping the first place prize of £28,062 followed by Zero Watt, second (£9,294.85), and Zafaran, third (£4,384.93) — all of them sporting those oh-so-familiar maroon and white silks. For good measure, the fourth horse home, Daarkom, is owned by Sheikh Mohammed's brother, Sheikh Ahmed Al-Maktoum.

Sheikh Mohammed has already been leading racehorse owner in Britain four times, and is banking on another bumper season in 1989. Apart from monopolising the Henry II Stakes, he had winners all over the place last weekend, and not just in England. That seems reasonable, given that

dressed in white. It restored faith in the silent forces Gavin Ewart describes in his poem, 'Not Quite Cricket?'

"Watching cricket is habit-forming. It can become habitual. It's a kind of long-lasting white-robed ritual." Border, restored long since to the white-robed ritual, boasted two badges in the one-day internationals, as did most of his team: one on his cap and one on his sweater, which was outlined heavily in Australian green and gold. No-one could accuse the Australian cricket adornments of being understated. That would be like accusing an Australian of drinking tea. The shield on their badge, for instance, is supported on one side by a kangaroo and on the other by an emu — almost too good to be true. But the shield they hold contains a set of symbols as mysterious as the supporters are obvious. Perhaps mystery

means menace. The only easily identifiable symbol is a ship. Underneath it what looks like a can of Foster's crushed in the middle and stood on end. That would fit the image. But next to it is a pair of crossed swords, looking disconcertingly like those of the Vatican.

The last quarter of the Australian shield and the element of dangerous mystery to the point of light relief. An animal halfway between a dingo and an elephant carries something halfway between a coat-hanger and a kookaburra upside down on its back. Towards the end of the Trent Bridge one-day international, the spirit of this cryptic (or whatever it is) appeared to inspire the Australian wicket-

keeper, Healy, in his farcical hit-and-run antics and accompanying dramas. In the first of these, he produced reaction, they do it through underones and overones. Australia's cryptograms ooze menace; England's look to the Plantagenet past to undermine the enemy, with a crown and three leopards and lions combined, at once rampant and passant (charging about and dozing at the same time).

This is the allusive approach and, like the improvement in the May weather this year, is important to cricket but not fundamental. Decorative touches usually have their strongest effect for the positive, especially on new,

financiers in the grandest mould who could buy and sell Rupert Murdoch before Sam.

For most of the time they sit in perfumed counting houses, counting out their money and commencing with the laws of probability via banks of computer screens and satellite feeds. They are always pelted to see me. They will see no-one else. They enjoy my jokes, and my refreshingly tart questions. Servants bring us food in golden dishes, and water with bubbles, and little silver

screens so that we can watch the action in Florida or Hong Kong.

I visited one of them yesterday. "Michael," he said, as we sat in leather armchairs, "you ask me what will win the Derby and I say to you — only one horse will win the Derby, and it will not be Cacoethes (the second favourite), even though Guy Harwood's stable is cooing confidence. Cacoethes is by Alydar — that we like. And he won the Lingfield Derby 'Total Impressively. Yet

what did he beat? I say to you — not very much. Cacoethes will start at 5-2 and will lead them round Tattenham Corner. But he will crack and flounder, mark our words.

"Princes of Dance, in the Sobell colours, will be useful later on. But not next Wednesday. Not at Epsom. So you say to me — how about Turjun. And I say to you — not on your life. The same with Warsham. He redeemed himself a bit in the Predominant Stakes at Goodwood when beating

Cricket

Badges and the badgered

CRICKET is more than a game, it is a culture. In good old imperial days, you might almost have called it a way of life. It is resplendent with customs, rituals and, best of all — although most inappropriate of all in these utilitarian days — the hallmarks of chivalry.

Every first-class cricket team has a badge and colours, and one of the nicest things about cricket is that these adornments play a part in the game. Not an active part, such as is played by cruder weapons like the bat and ball, but a psychological part which always has some significance and can occasionally be crucial.

means menace. The only easily identifiable symbol is a ship. Underneath it what looks like a can of Foster's crushed in the middle and stood on end. That would fit the image. But next to it is a pair of crossed swords, looking disconcertingly like those of the Vatican.

nervous players who often wear a team cap and blazer for the first time with child-like pride. This is the latter pride which, tinged with sadness, makes old players and fans romantic about their memories of old games.

Francis Thompson's poem, 'At Lord's,' recalls nostalgically the Lancashire matches he used to watch as a child in the north, preferring not to watch Lancashire play any more as an adult in the south: "Though the red roses crest the cage, I know. For the field is full of shades as I near the shadowy coast. And a ghostly batsman plays to the baulking of a ghost."

While red-crested caps and blazers were becoming fashionable, whites were in first-class use everywhere by the mid-19th century and umpires were getting rid of their local colours and badges in favour of uniforms, usually with dark jackets.

Badges. Neutrality is less neutral when it carries a badge, be it a township or a professional emblem.

depths and emit much chaos. The Surrey colours are choicer than their look more like maroon. The badge is brown and white with the motto 'Ich Dien' (I serve) underneath the three Prince of Wales feathers. It was the motto of the blind King of Bohemia, who chained himself to his knights so he could lead them into the battle of Crécy in 1347. He lost. The Prince of Wales won and got the King of Bohemia's badge. The Prince of Wales is also landlord of The Oval because it is in a bit of London belonging to his Duchy of Cornwall.

CROSSWORD

No. 6950 Set by DINMUTZ. Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday June 14, marked Crossword 6,950 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9EL. Solution on Saturday June 17.

Crossword grid with numbers indicating starting positions for words. The grid is a 15x15 square with some cells shaded grey.

ACROSS
1 Position of unwelcome adviser in saloon? (4-4)
5 Broadway, say, a meeting-place (6)
9 Doctor's capital used for disease carrier (8)
10 Loosen needlework and relax (6)
11 Pithy saying of GP at home, possibly (8)
12 Take stock of others? (6)
14 Tender name, in a way (10)
18 Scratched old record, simple repair in former times (10)
22 Clock in news item (6)
23 Place for cooling tar in shanty? (8)
24 Tracks of the northern lines? (8)
25 Walker gives long wave on street (6)
26 Try again in court (6)
27 Well disposed, like some societies (8)

17 Shady sort of agency providing general cover (8)
19 Wild region to pass over (6)
20 Thwarted fellow under the influence (6)
21 Blustering Frenchman in novel (6)
Solution to Puzzle No. 6,949

Word search puzzle. A 10x10 grid of letters with words hidden horizontally and vertically. The grid contains the following letters: Q, U, A, T, A, S, H, E, R, A, T, I, M, W, H, E, R, D, O, E, S, T, H, I, S, I, S, T, O, R, Y, N, O, T, A, S, Y, E, T, U, N, D, E, R, A, N, Y, C, I, R, C, U, M, S, T, A, T, I, S, M, A, N, U, S, C, R, I, P, T, U, R, E, I, S, T, A, S, E, A, T, A, G, A, I, N, S, A, S, A, G, E, I, N, T, H, E, D, E, F, I, N, I, T, I, O, N, S, O, F, A, T, H, I, S, A, R, T, W, O, R, K.

Solution and winners of Puzzle No. 6,939

DOWN
1 Mine always here in India? (6)
2 Star players with feet of gold (8)
3 Type reported as questioned (6)
4 Stomation affected this adversary (10)
6 Coach-attendant at rear — or the front (8)
7 Decade when Einstein developed? (5)
8 Petition in French alliance (6)
10 Weapon of a class to quicken the pulse? (3-7)
13 Musical play over the hill? Slick impresario needed (8)
16 Careless hit-and-run (5)

Mr S. Davey, Brighton; Mr P.F. Fuller, Salford, Walsley, Essex; Mr B.M. Robertson, Beckenham, Kent; Ms P. Shelley, Edgbaston; Mr J.M. Stevenson, Woking, Surrey.

TELEVISION & RADIO

Television and Radio listings for Saturday. Includes sections for Tyne Tees, Ulster, Yorkshire, Radio, BBC Radio 2, BBC Radio 4, Granada, HTV, Scottish, TVS, Channel, and Border. A central image of Charles Chaplin in 'A King in New York' is featured.

SUNDAY

Television and Radio listings for Sunday. Includes sections for Border, HTV, Radio, BBC Radio 2, BBC Radio 4, Granada, Scottish, TVS, Channel, and Tyne Tees. A central image of a group of people is featured.